

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 30, 1931



MONARCH FIRE INSURANCE COMPANY

CLEVELAND, OHIO

Statement December 31, 1930

Ohio Basis

ASSETS

Bonds—Market Value.....	\$1,797,300.00
Stocks—Market Value	1,020,794.00
	<hr/> \$2,818,094.00
Real Estate—Market Value.....	391,085.50
Mortgage Loans	352,340.33
Cash in Banks and Office.....	122,059.19
Agents' Balances written Subsequent to October 1	325,282.56
Deposits with Underwriters' Associations...	1,100.00
Reinsurance Recoverable on Paid Losses...	5,338.09
Accrued Interest and Rents.....	21,939.47
	<hr/> \$4,037,239.14

LIABILITIES

Outstanding Losses	\$ 198,006.00
Unearned Premium Reserve	1,207,883.35
Taxes, Expenses and all other Liabilities...	98,360.27
	<hr/>
Total Liabilities, except Capital.....	\$1,504,249.62
Capital	\$1,000,000.00
Surplus	1,532,989.52
	<hr/> \$2,532,989.52
	<hr/>
	\$4,037,239.14

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NORWICH UNION
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75 Maiden Lane, New York
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Eagle Fire Company of NEW YORK

Incorporated 1806
75 Maiden Lane, New York
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The Oldest New York Insurance Company

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In NORWICH UNION there is strength

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"SINGING in the BATHTUB"

Yet he's in one of the danger spots of civilization!

The four million injuries and thirty thousand deaths occurring annually in the home should convince almost everybody of the need of accident insurance.

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

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THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
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NEW YORK

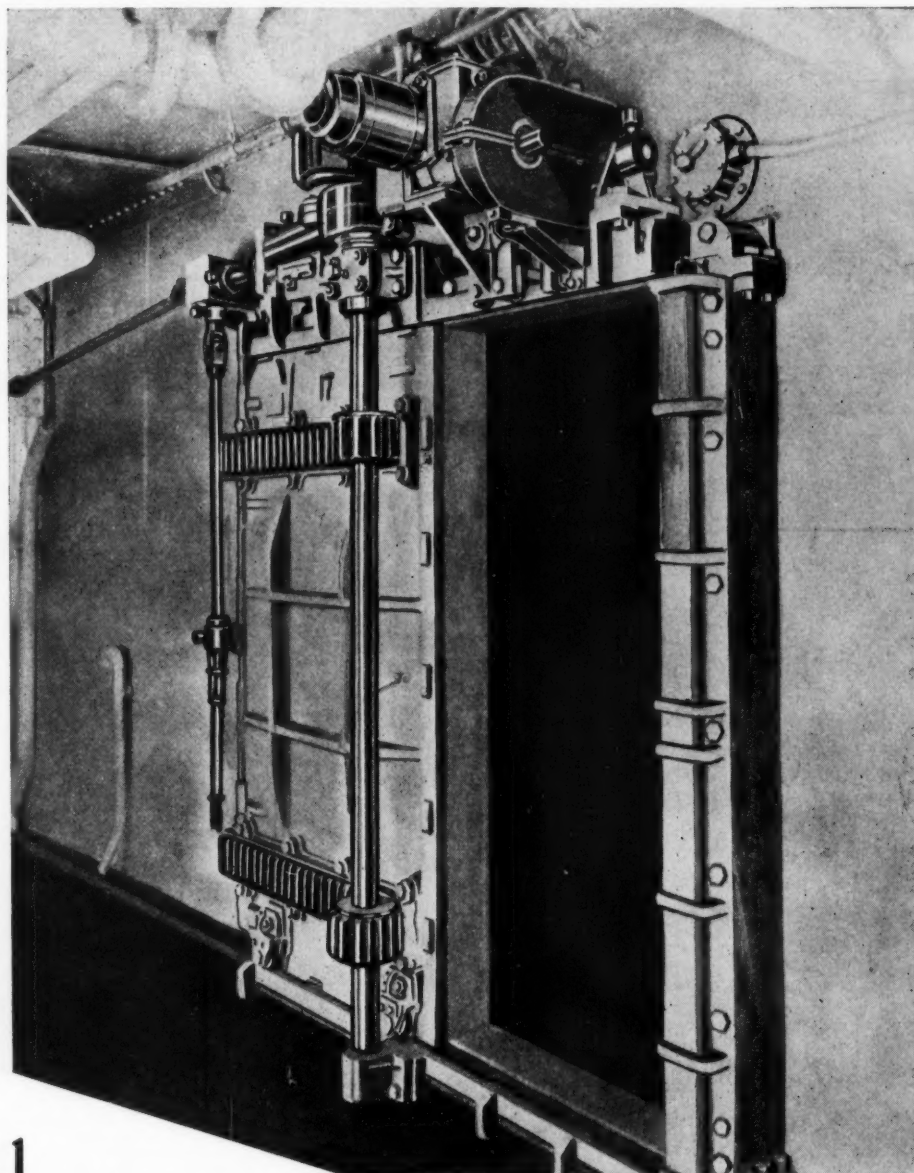
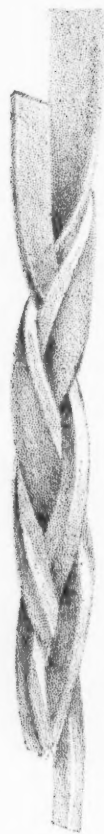
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ATLANTA

DALLAS

MONTREAL

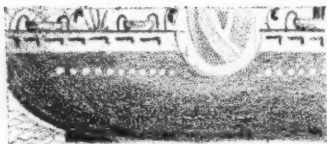


Courtesy Cutler-Hammer Inc.

In the hold of every modern ship are cross-walls of steel from keel to far above the water line. Each door in those walls is so safely watertight that, even though an entire section should be flooded, the ship will remain afloat. Loss is restricted to the flooded section.

Insurance cannot prevent loss. Insurance transcends loss. Insurance *indemnifies!* Prompt payment keeps the business ship afloat when *all* its material sections are destroyed.

The Royal shield is the symbol of *Security First*.



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INSURANCE COMPANY LTD
150 WILLIAM STREET ■ NEW YORK

The National Underwriter

Thirty-Fifth Year No. 31

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 30, 1931

\$4.00 Per Year, 20 Cents a Copy

Stars to Address Los Angeles Meet

Rolph, Livingston, Kurth, Palmer,
Beha, Drew, Monnette, Ufer
on Program

THEME NOW ANNOUNCED

"Insurance Organizations and Their
Public Service" to Be Keynote of Na-
tional Association Convention

NEW YORK, July 29.—Talent of the
first rank in various lines of activity has
been secured to address the annual con-
vention of the National Association of
Insurance Agents, at Los Angeles, Sept.
21-25, the speakers thus far pledged to
contribute to the general convention
theme, "Insurance Organizations and
Their Public Service" being:

James Rolph, Jr., governor of Cali-
fornia.

C. D. Livingston, Michigan commis-
sioner, vice-president National Conven-
tion of Insurance Commissioners.

Wilfred Kurth, president Home of
New York.

Orra E. Monnette, Los Angeles, vice-
chairman of the board, Bank of Amer-
ica National Trust & Savings Associa-
tion.

Ernest Palmer, manager and general
counsel, Chicago Board.

James A. Beha, general counsel Na-
tional Bureau of Casualty & Surety Un-
derwriters.

Cyrus K. Drew, San Francisco, "West-
ern Underwriter."

C. T. Hubbard, assistant secretary
Automobile of Hartford.

H. G. Ufer, western superintendent
Underwriters Laboratories.

Discussion Period Theme

The discussion periods will be built
around the theme, "Developing Business
Out of Depression." Arrangements are
being made for group round table con-
ferences, details of which will be an-
nounced at an early date.

Officers of the National association
feel that they are particularly fortunate
in securing speakers of such high calibre
and varied activities for the program.

Governor Rolph's appearance will be
of unusual interest as he is an insurance
man as well as chief executive of his
state, being head of the Rolph, Landis
& Ellis general agency at San Francisco.
He had the enthusiastic support of the
California agents in his gubernatorial
campaign, and it was his pleasant task
to sign the agents' qualification bill
passed at the last legislative session.

Livingston's Position

Although Commissioner Livingston is
now vice-president of the National Con-
vention of Insurance Commissioners, ac-
cording to precedent, he will be presi-
dent at the time of the Los Angeles
gathering, as the commissioners meet
at Portland, Ore., just prior to that time.

Eye Small Merchant's Fate as Suspicious Fires Begin

LOSSES ARE NOT YET GRAVE

But Company Officials Fear Moral Haz-
ard of Hard Times Plus Chain
Store Competition

Apprehension exists among company
officials that small independent mer-
chants pressed by chain stores and now
doubly pressed by curtailed buying, may
resort to arson for relief.

This fear has not yet been appreciably
realized. Fire losses in this class were
not significantly greater in the year 1930
than in 1929. Indeed some critics have
expressed amazement that unprece-
dented losses have not occurred during
this period. One explanation, which has
been volunteered, is that chain stores
have replaced so many small merchants,
that the same hazard does not now ex-
ist in periods of business recession as
in past years. Most underwriters dis-
count this theory, however.

The consensus is that the moral haz-
ard has already developed among small
merchants. It is not yet alarming, but
subnormal business on top of chain
store competition is a condition, the pre-
dictable results of which companies
dread. Less severe spells of depression
have produced greater and more cer-
tainly criminal losses. There is no rea-
son to believe that desperation on the
part of unscrupulous merchants will be
more solicitous of the insurance man's
welfare than it has been in the past.

Should an improvement in business
take place in agricultural centers be-
cause of receipts from this year's good
harvest, moral hazard among small mer-
chants will largely vanish. In that event
the remarkable experience of hard times
without unusual fire losses in the small
merchant class will have been witnessed.

As chief executive of the largest group
of fire companies in the United States,
with premium income for 1930 of \$76,-
639,997, Mr. Kurth is one of the most
forceful figures in the insurance world.
He is past president of the National
Board of Fire Underwriters and presi-
dent of the American Foreign Insur-
ance Association. He has been asso-
ciated with the Home group since 1902,
first as Canadian manager, later as sec-
retary. He became vice-president in
1920, and president in 1929.

Mr. Beha, formerly New York super-
intendent, as manager of the National
Bureau, has been selected chairman of
the Conference on Acquisition and
Field Supervision Cost for Casualty In-
surance. His relations with the Na-
tional association are cordial. Recently
he appointed the committee for his or-
ganization to confer with the National
association's special casualty committee.

Friendly to Monnette

Mr. Monnette's appearance will afford
many members of the National asso-
ciation their first opportunity to greet
this official of the banking institution
which made history when, coincident
with the change in its name from the
Bank of Italy to the Bank of America,
it wiped out the agencies formerly con-
nected with its huge chain banking sys-

Big Bid Is Being Made for Inland Marine Lines

HOME OFFICES ARE ACTIVE

Companies Are Endeavoring to Make
Up for Loss of Premiums in
Other Classes

NEW YORK, July 29.—There is a
decided movement among some of the
leading companies to seek inland marine
lines more intensely. There has been
more activity in this direction during
the last few months than ever before.
A number of companies that have had
their marine business handled through
general agencies largely in New York
are now opening departments at their
head offices and will have direct charge
of this important work. The Hartford
Fire recently established its marine de-
partment at its head office. So did the
Phoenix of Hartford. The Aetna is
opening branch offices in a number of
cities. The Great American is establish-
ing a marine department. The Fire-
man's Fund is injecting far more activ-
ity in its inland marine operations.

Needs Special Treatment

With the decline in fire premiums and
the great effort to maintain an even
break on some of the other lines, the
companies see an opportunity to branch
out on the various inland marine classes
and stimulate interest in them. This
work requires special treatment and
continuous prodding. Companies feel
that one of the avenues of greatest
development in the future will be the
various inland marine lines. Officials
agree with President Ives of the Aetna
that there should be some other char-
acterization of these classes than "inland
marine," which is somewhat misleading.

The inland marine business has been
built up largely through such firms as
Appleton & Cox, William H. McGee &
Co., Chubb & Son, Marine Office of
America, Talbot, Bird & Co. and others.
Inasmuch as home offices are now get-
ting into the inland marine business
direct and are establishing branches in
important cities and having managers
look after these branches competition
naturally becomes stronger than ever.
Many officials look for a big develop-
ment in the inland marine lines.

Ocean marine is on the decline. Ow-
ing to the prejudice against the high
tariffs in the United States other coun-
tries are not purchasing in the United
States as they otherwise would. Aside
from oil, automobiles and a few other
classes, the export has dropped consid-
erable. It is on exports that the marine
underwriters on this side depend. The
prejudice against the United States is
increasing and ocean marine, therefore,
is not nearly as active as it has been.

tem, and its president declared that
henceforth borrowers from his banks
should have the privilege of selecting
their own agents. Mr. Monnette is
prominent in civic affairs in Los An-
geles, and is a director of the Chamber
of Commerce of the United States, rep-
resenting civic development.

(CONTINUED ON PAGE 38)

Executives Group Has Possibilities

Opportunity for Worthwhile Work
Seen in Project for Fire
Officials Association

TO MEET IN SEPTEMBER

Organization Plans to Be Presented at
Fall Gathering—Sentiment for
Reforms Is Growing

By GEORGE A. WATSON

NEW YORK, July 29.—During the
two months that have elapsed since the
annual meeting of the National Board,
a gathering, notable for the frank ad-
mission by important company officials
of the serious consequences that would
inevitably result unless unethical prac-
tices were ended, there has been a sub-
stantial decrease in number of com-
plaints of rate or rule violations.

This attests that companies in the
main are in complete sympathy with the
reform movement and are disposed to
take the publicly made statements of
their leaders at face value. Some man-
agers still are skeptical as to the need
for creating the proposed Insurance Ex-
ecutives Association, and hold that if
members of existing organizations were
steadfastly loyal to pledges there would
be no need for a super-governing body.

New Organization Needed

Yet those who have delved more
deeply into the program outlined for
the suggested new organization, are
convinced that it could fill a most use-
ful place in the underwriting field, and
are looking forward with interest to
the gathering sometime in September, at
which plans for the I. E. A. will be pre-
sented in greater detail, and, if generally
approved, arrangements made for put-
ting them into effect.

The success of the proposed associa-
tion it is conceded will depend in great
measure on the ability and character of
the manager. If he possess, for example,
a thorough knowledge of contractual
obligations; diplomacy and firmness
such as was displayed by Albert Con-
way while insurance superintendent in
this state, there is no limit to the good
that would be accomplished.

Type of Manager Important

But if, on the other hand a manager
is chosen who will allow his judgment
to be warped in favor of any particular
company or group of companies, the or-
ganization would be doomed to speedy
collapse, it is believed. The purpose of
the projected association, as set forth in
the preliminary announcement, "is not
to supersede any existing organization,
but rather to supplement and support
each." An association composed of
chief company executives would be able,
it is maintained, to be of material aid
to all territorial governing organiza-

(CONTINUED ON PAGE 38)

Kentucky Bureau's Letter Stirs Up Much Interest

HAND PICKED RISKS PAY

Company Men Seriously Consider Dis- continuing Writing Unprotected Risks Under Existing Rates

LOUISVILLE, KY., July 29.—It is reported from Chicago and New York that a letter released a week ago to company and field men by the Kentucky Actuarial Bureau, regarding experience in 9th and 10th class unprotected risks in Kentucky, stirred up a considerable amount of interest, in that the figures for these classes as a whole show very conclusively that the companies as a whole have been losing plenty of money on them at the existing rates. The suggestion was made that companies discontinue writing these two classes, until such a time as the state department of fire prevention and rates will agree to reasonable rate increases. Some company men are reported to be considering the matter with quite serious thought.

Agent Makes Difference

Among field men in Kentucky there has also been a great deal of discussion during the week. There is no doubt but what some companies have made money on these classes, but only where excellent agents are used, and where risks are closely inspected, and more especially where companies have survey departments, and write such risks merely on application. Picking locations, cancelling off of hot towns, or districts where crop and other conditions have changed moral or physical conditions, and close inspection has been practiced by such companies as can show a reasonable loss ratio. It is claimed that where the agent goes out of his own home territory to write such business experience has been bad, as he can not hope to know the risk and conditions nearly so well.

One field man stated that for four years his loss ratio on the two classes has been under 40 percent; and in a lot of towns and districts the ratio had been 25 percent or less for ten years. However, it has closely, hand picked agents, and has withdrawn from agencies and cancelled off freely where business conditions became unpromising. It has, in other words, practiced close underwriting.

Convention Goers Planning Itinerary to Portland Meet

NEW YORK, July 29.—A group of convention war horses from the east is beginning to plan an itinerary for the annual gathering of the National Convention of Insurance Commissioners in Portland, Sept. 14-16. The party, including Commissioners Dunham of Connecticut, Van Schaick of New York and various bureau and company convention-goers, plans to leave New York via the New York Central Sept. 6. At Chicago it is expected that there will be additions to the party, which is planning to head east over the Burlington-Northern Pacific lines. A stop is scheduled at Yellowstone Park and the journey, according to present plans, will be resumed so that the party will arrive in Portland the morning of Sept. 13.

Many of those who are preparing to attend the commissioners' convention will go from Portland to Los Angeles for the annual meeting of the National Association of Insurance Agents. Others will probably go to Pittsburgh for the annual meeting of the National Association of Life Underwriters Sept. 23-25 and there will be some who will return east for the big casualty convention at White Sulphur Springs Sept. 29-Oct. 1.

Cessation of Farm Writing Calls for Great Courage

Under the most favorable agricultural conditions few fire companies managed to score a profit on their farm writings; the great majority of them finding it a losing venture, and to such extent as to compel their cutting off the class. In discontinuing an important risk classification, a company is bound to offend a number of its agents and almost inevitably lose some of them. In the long run however, offices that have had the courage to cut off a type of business upon which they have persistently lost money after using every possible effort to underwrite it upon a sane basis, have profited, and such has been the history of the farm business generally. Companies that can afford to maintain special farm departments, handled by men trained in farm values and conditions and transacting a volume of business sufficiently large and widespread to get an average liability, may make a profit on the line, but the office without such facilities rarely, if ever, does.

Fire Underwriters in Session

North Dakota Association Reelects Of- ficial Staff Headed by Morris at Fargo Meeting

FARGO, N. D., July 29.—All officers were reelected by the North Dakota Fire Underwriters Association at the annual meeting here. The next regular session will be Sept. 14, with meetings bimonthly thereafter. H. F. Morris, state agent North British is president; J. P. Wolfe, Security of New Haven, vice-president, and D. C. Brown, state agent Fire Association, secretary-treasurer.

On Executive Committee

C. C. Bye and T. P. Davis were elected to the executive committee, with R. F. Thompson and W. H. Comrie, Jr., holding over. Mr. Bye is with the Northwest Fire & Marine, Mr. Davis is state agent for the Phoenix, Mr. Thompson, state agent Hartford Fire, and Mr. Comrie, state agent Minneapolis Fire & Marine. Discussion centered around agency matters and general conditions.

Arrange Tentative Plans for Grand Nest Gathering

GENERAL COMMITTEE AT WORK

Rudd Chairman of Group Perfecting Details of Blue Goose Rally in Milwaukee Sept. 8-10

MILWAUKEE, July 29.—Plans for the Grand Nest meeting of the Blue Goose at Milwaukee, Sept. 8-10, were outlined at a meeting of the general committee in headquarters here.

P. E. Rudd, grand welder, is chairman. Other members are: W. E. Atwater, past M. L. G. G. and one of the founders; R. H. Wieben and B. A. Lehnberg past grand welders; H. J. Girard, M. L. G., and J. C. Qualman, welder, Wisconsin home nest, and Harry Nurnberg.

Schroeder Hotel Headquarters

Convention headquarters will be at the Hotel Schroeder, Registration will be Tuesday morning and in the afternoon the golf tournament will be held at North Hills country club. Those who do not wish to play golf and ladies will be entertained Tuesday afternoon on a sightseeing trip. A theater party is planned for the evening.

The first business meeting will be Wednesday morning, with another session in the afternoon. Mr. Rudd announces there will be a boat ride Wednesday evening on Lake Michigan, with supper on the boat and dancing.

Good Fellowship Banquet

Business sessions will be continued Thursday morning and an effort will be made to complete the business meeting at 1 o'clock. The good fellowship banquet will be held at the Schroeder Thursday evening, starting at 6:30, and for the third successive year the ladies will be guests at this banquet.

Since the original buildings at Green Lake, where the organization came into being 25 years ago, have been torn down, no pilgrimage to this place has been planned. An entertainment program is being arranged for ladies, details to be announced later. Arrangements also are being made for reduced railroad fares.

Favor Speeding Settlement of Missouri Rate Case

AGENTS, THOMPSON CONFER

State's Attorneys to Rush Their Case in Effort to Secure Early Decision

KANSAS CITY, MO., July 29.—Judging from developments last week, the state insurance department, agents and companies favor speeding up the Missouri rate case in the United States district court. Superintendent Thompson, in a conversation with President P. K. Weis of the Missouri Association of Insurance Agents, indicated that he had not rejected the proposition to speed up the case and that he already had discussed the matter with the attorney-general's office.

Desire to Terminate Trouble

"The interest of the agents of the state in the proposition," Mr. Weis said last week following the conference between Mr. Thompson, T. S. Ridge, Jr., association legislative committee chairman, and himself, "is a desire to secure a termination of the present troubled and unsatisfactory conditions under which they (the agents) are forced to do business. The conference with Superintendent Thompson was for that purpose and that office has agreed that the state's attorneys would be instructed to rush their case in order to permit an early decision by the United States district court."

Street Willing to Aid

C. R. Street, chairman of the Subscribers Actuarial Bureau, in a letter said: "We are willing to do anything that can be done without impairing our legal position along the line of expediting a hearing of the case, and if we win there is an absolute certainty there is going to be no jubilation. There will be no showing of arrogance, but, on the other hand, the position of the companies will be one of dignity and conciliation. We would want to occupy the position of letting bygones be bygones and taking a fresh start on some basis that would make sure we were not going to have any further extensive or expensive litigation for a long time to come."

San Francisco Premiums for Six Months Show a Decrease

SAN FRANCISCO, July 29.—Fire premiums written in San Francisco the first six months show a decrease of \$464,399 compared with the same period of 1930 with 285 companies reporting \$2,450,256 this year against 291 reporting \$2,914,655 the first six months of 1930 according to the 158th semiannual report of the Underwriters Fire Patrol of San Francisco. An increase of \$73,098 is shown over the last six months of 1930 when 286 companies reported \$2,377,158. The standing of the companies, according to fire patrol figures is in exact accord with that published in THE NATIONAL UNDERWRITER last week.

Home Service Medals Given

B. F. Norval of Seward, Neb., having represented the Home for 50 years, was the recipient of a gold medal from the company, its presentation being made by State Agent C. U. Hendrickson. Silver medals, in appreciation of 25 years of continuous agency representation, were given to F. L. Glass, Martinez, Calif.; B. J. Ainlay, Belgrade, Neb., and M. F. Haass, Frankfort, Ill.

Leary Supervises Virginia

R. B. Leary, formerly with the Virginia Insurance Rating Bureau, is now supervising Virginia for the Petersburg Fire.

CONDENSED NEWS OF WEEK

The Kentucky bureau's letter frowning on unprotected risks creates much interest. **Page 4**

General committee works out tentative program for Grand Nest gathering of Blue Goose at Milwaukee, Sept. 8-10. **Page 4**

Opportunity for worthwhile work seen in project for Insurance Executives Association; organization meeting in September. **Page 3**

Rolph, Livingston, Kurth, Palmer, Beha, Drew, Monnette, Ufer are to address convention of National Association of Insurance Agents in Los Angeles. **Page 3**

New York plate glass Service Bureau seeks to correct inequitable glaziers' charges, gives excellent service under new manager. **Page 32**

Southern Home of Charleston, S. C., takes over Savannah Fire. **Page 6**

D. C. Mac Ewen appointed superintendent of agencies by Pacific Mutual; Moore becomes associate; other changes. **Page 32**

Program for the Washington Insurance Agents League annual meeting at Seattle. **Page 22**

Hearing is held before the New York superintendent on taxicab insurance in New York. **Page 33**

The New York department has heard from about six of the casualty companies as to particulars regarding their commission arrangement. **Page 31**

Success of the Central Bureau of Greater New York in the enforcement of collection of fire and casualty premiums attracts interest of other centers, notably Newark, N. J., and Pennsylvania. **Page 5**

Separation is dead issue in east, where 90 percent of the agents have elected either to represent E. U. A. companies or non-affiliated. **Page 5**

Favor speeding up settlement of Missouri rate case. **Page 4**

Hartford Accident, reporting great increase in excess fidelity losses in 1930 over 1929, sees big field for sale of commercial blanket bonds. **Page 31**

Ohio attorney-general to reconsider ruling that agents of domestic casualty companies need only certificates by companies and not license. **Page 31**

The constitution and by-laws of the proposed Chicago Casualty Acquisition Cost Control are now in the hands of Chicago branch managers. **Page 33**

F. M. Chandler of Chicago resigns as assistant manager of the Employers Liability group. **Page 32**

Consolidated Indemnity discontinues branch offices at Des Moines and Kansas City in favor of exclusive general agency basis in Missouri and Iowa. **Page 31**

Opportunity for large additional volume of premiums appears in Chicago with offer of states' attorney's office to open municipal courts to surety companies for writing misdemeanor bail bonds; pool plan suggested. **Page 31**

Interest in N. Y. Collection Plan

Central Bureau System May Be Adopted in Other Centers

SUCCESS HAS BEEN GREAT

Free Insurance Evil Is Abolished by Operation of B. R. Mowry's Organization

NEW YORK, July 29.—So successful has the Central Bureau been in enforcing the collection of fire and casualty premiums in Greater New York that sentiment strongly favors extending the scope of its activities to the balance of the state, and it may be that a somewhat similar, if not an identical organization, will be formed in other states. The Pennsylvania department, hearing of the effectiveness of the bureau asked for particulars as to its operations some months ago, and the Newark, N. J., fraternity also displayed considerable interest in the plan, following a talk before the casualty association in that city by B. R. Mowry, manager of the bureau.

The launching of the Central Bureau was the direct result of disclosures as to the great aggregate loss suffered by the fire companies through non-payment by brokers of premiums, and of the expense entailed in the issuing and subsequent cancellation of "not-taken" policies. A study of the problem revealed that it cost the fire companies on the average \$3 to put a policy through the books, and then to record its discontinuance; while the cost to the casualty offices in the same connection was \$5, because of the greater detail called for upon the latter type of business.

Previous Loss Was Great

Prior to the creation of the bureau the total loss to the companies through the non-payment of premiums, after carrying the liability any where from one to six months, was never totaled, but by general report was admitted to run into large figures; some unscrupulous brokers managing to work different companies for a year's free protection for clients, through the process of shifting a risk from office to office after carrying it in each for several months and then ordering cancellation for non-payment of premium.

Appreciating this drain upon the carrying companies the insurance department offered to cooperate in enforcing premium collections, and abolishing the free coverage evil. Under the plan in force by the Central Bureau, companies list with it each month a record of uncollected accounts, together with the names and addresses of the brokers placing the business. The latter are addressed by Manager Mowry and failing to settle after a reasonable time, are reported by him to the department.

Should the broker still neglect to make payment, or furnish a satisfactory excuse for failing to do so, he stands in danger of having his license cancelled. The reasonableness of the attitude of both the company organization and the department is recognized by the vast majority of the brokers and their cordial cooperation has been given the movement. Few complaints are had from business institutions.

So satisfactory were the results had by the fire companies from the activities of the Bureau that the casualty offices asked to be included in the movement, and the service was extended them nearly two years ago.

Some Observations on Present Day Tendencies

There are insurance offices and companies that are dying of dry rot and going to seed because new blood is not being brought in and trained for responsible positions and greater work. There are organizations conducted very largely by men past middle life, who seemingly have no mind as to their successors. They are building only for themselves. When they pass off the stage the organization will noticeably decline and perhaps fade out entirely. This has been the history of all institutions and offices where the management does not recognize the necessity of bringing in and adequately paying younger men who will be in line of succession. These older men milk the business dry for themselves, employ mediocre talent and do not lend encouragement to ambitious, worthy and able young men, who could well carry on and develop the organization. Many an enterprise of considerable dimensions has become anaemic and gradually withered because down through the organization there was not the vigor, enthusiasm and ambition of younger blood, men who look forward to filling the higher positions and becoming part of the management later on.

* * *

These are the days when the play of sentiment and personal interest are largely needed on part of managers, production men and sales supervisors. Business is difficult to get. Men out on the firing line soliciting are confronted with thousands of obstacles. For the most part they are distant from headquarters where the dynamo is planted and business electricity and power are generated. A letter, a telegram, a word of some kind of approbation and encouragement to the man soliciting business means much to him. The other day a life insurance agent, representing the New York Life, who had been in business eight months, received a letter from the head office signed by Thomas A. Buckner, the president. Undoubtedly Mr. Buckner never saw the letter. It was sent out by the agency department congratulating the eight months' solicitor on his record. However, it had the desired effect. It gave renewed hope and enthusiasm. He showed it to his friends. Because of the thrill he experienced in receiving a letter from the distinguished president, he went out to conquer more and greater worlds. Then someone came along and disillusioned him, telling him that President Buckner had no time to write such letters. The new agent was depressed and unfit for business. Then came along the vice-president of a smaller life insurance company who knew the psychology of the times. He was acquainted with this agent and the agent showed him the letter and asked him what he thought about it. The vice-president realized that perhaps President Buckner never signed it but he told the man that undoubtedly he did, and that Mr. Buckner was heart and soul with every man out on the firing line. The man took renewed hope, started out and was able to write business. Every sales manager is studying his men individually. He is finding out what they need in the way of encouragement and support. He is sending a telegram to them at their homes, at their offices. He is writing to them making suggestions, showing them that he keeps them in mind. He gives them a tip on how to get business, throws out a suggestion, lets them know he is thinking about them, pats them on the back when they do something worth while, in fact, he is sympathetic with their effort. The man at headquarters is the generating force. He must not only be resourceful, alert,

optimistic but above all, he must be sympathetic and appreciate the fact that in these days of great stress and storm a word of good cheer means a lot. These days need the simple elements of the human heart expressed.

* * *

Some years ago before transportation became so rapid and the automobile was unknown, a field man remained in the smaller, medium sized town longer. He not only made a survey of the business of his own agent but he became acquainted to some extent with the business men of the town and the other agents. He made it a point to drop in on other insurance offices, shake hands, pass the day, express an interest in their work. These field men became known to hundreds of agents representing other companies. Very frequently some brokerage business passed to the agencies of these field men. Sometimes when the fleet system began they were able to plant their affiliated companies in offices with which they had formed a cordial relationship. There is not this old fashioned cultivation that once created so much good will. The reputations these field men developed for good fellowship, sincerity and interest in others was a big asset to them and their companies.

* * *

Sometimes younger men are allured to other companies and offices because of higher wages. Everyone desires to earn more money. That is a laudable ambition. A man connected with a standard and dependable office or company is offered a position with a company of uncertain future. Its methods are not orthodox. It has to resort to devious means to obtain its livelihood. It does not have the standing in the insurance community that many other institutions enjoy. It lacks tone. It is off color. It has not the elements of permanency. It is down the scale several rounds when compared with dependable, well managed, high grade institutions and offices. The man attracted by such an offer does not realize that the gain is only temporary. Thence he starts down the ladder and he keeps on going. Seldom, if ever, does a man who has broken away from his old moorings come back. He has become tarred with a black stick and it is impossible to rid himself of the stain. Managers and officials of companies of high grade are suspicious of him. They feel that in his new connection he has lost some of his standing.

(CONTINUED ON LAST PAGE)

Old Fire Policy Given to a Cleveland Agency

CLEVELAND, July 29.—A fire insurance policy, 126 years old, has been presented to the Hale & Hale Company, Cleveland agency, by C. H. Giles, Cleveland manager U. S. Life. Mr. Giles found it among some old family papers. The document bears date of Nov. 26, 1805, and was issued on the Phoenix Fire Office of London.

The policy opens up as follows:—"Insurance from loss or damage by fire hath been found a measure of great importance to happiness of families and has given additional security to commercial manufacturers. The distinguished approbation with which the public throughout Great Britain received the improved system of this office occasioned frequent application for the insurance of property in the principal towns and cities in Europe and America and induced the company many years since to extend the plan to the western continent."

Separation Dead Issue in the East

In E. U. A. Field, 90 Percent of Agents Have Made Their Decision

PRINCIPLE IS ACCEPTED

Argument Prevails That Companies with Different Commission Scales Can't Dwell in Same Agency

NEW YORK, July 29.—Separation, whatever snags it may be encountering in certain sections of the middle west, is an accomplished fact throughout Eastern Underwriters Association territory, fully 90 percent of the 15,000 or more agencies in the field having long since elected as to which class of companies they would represent. There is no criticism on the part of the orthodox institutions of companies that prefer following a different course of field procedure; nor is the right of an agent to represent a non-affiliated institution challenged.

Position Is Explained

The position of the association companies is simply that an agent cannot conscientiously represent both types of carriers and be fair to each. In mixed agencies experience has demonstrated that the company paying the highest commission, gets the preferred business; the less desirable risks going to orthodox offices. While some agents, and doubtless a considerable number, would play fair with all companies in their offices, the vast majority, would lean to the company or companies paying the higher commission, other factors being equal.

While every association company realizes it cannot expect to get all the cream business of an agency, but must take a fair share of accommodation lines as well, it naturally balks at being given an undue proportion of special hazards while the choice business is handed over to a competitor because it allows a better rate of commission.

Asheville, N. C., Agents' Group to Handle City's Insurance

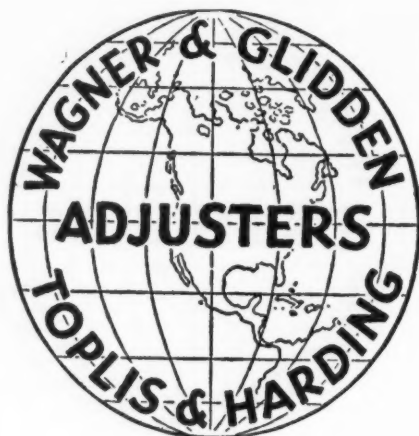
ASHEVILLE, N. C., July 29.—Hereafter all fire and casualty insurance carried by the City of Asheville on municipal properties and vehicles will be placed by the Asheville Fire & Casualty Insurance Agents Association, it is announced today by J. W. Tisdale, president. Mr. Tisdale also is chairman of the permanent insurance committee which offered the city the agents' services in placing the insurance. The committee has been requested to make a survey of all insurance policies in force and to arrange for placing new ones when they expire, and is now at work on this. Mr. Tisdale states that policies will be prorated among association members offering the city the best terms.

The city now carries about \$15,000 fire and casualty, but this does not include the school system properties, which are under direction of the board of education. This body places its own insurance, which amounts to a large figure.

The Asheville association at its last meeting discussed new rates on automobile liability, but took no action. Individual members said the increase is too great and should be scaled down.

SERVICE UNEQUALED

ALL OVER THE
WORLD



An organization of specialists in the handling of all claims, including—

AUTOMOBILE — AVIATION — USE & OCCUPANCY—FIRE—TORNADO—RENTAL — SPRINKLER LEAKAGE—FURS—JEWELRY—ALL RISK BURGLARY — LIVE STOCK — BLANKET BONDS — RADIUM—FINE ARTS.

CHICAGO — NEW YORK — PHILADELPHIA
LOS ANGELES—SAN FRANCISCO
MONTREAL—LONDON—MANCHESTER
STRASBOURG—ANTWERP—GENOA
ALEXANDRIA—CAIRO—SHANGHAI
PARIS—MARSEILLES—NICE

Represented in every principal city in the world

NEWS OF THE COMPANIES

Takes Over Savannah Fire

Southern Home Absorbs the Company Giving the Charleston Company Greater Momentum

CHARLESTON, S. C., July 29.—At a meeting of the stockholders of the Savannah Fire of Savannah, Ga., merger of that company with the Southern Home of Charleston, S. C., was approved. Under the terms the Southern Home agrees to reinsure all of the liability of the Savannah Fire and assume all its liabilities.

After the merger the Southern Home, after two decades of honorable operation, becomes one of the largest fire companies in the southeast. It will have capital \$500,000 after setting aside reserves of \$650,000 for uncanceled premiums and for the protection of its policyholders, and other items, the net surplus will be \$600,000, making surplus to policyholders of over \$1,000,000 and net assets of \$2,000,000.

The Southern Home has approximately 500 representatives in Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Louisiana, Mississippi, Arkansas, Kentucky and Tennessee, all business being handled through the home office here.

The officers of the Southern Home are S. L. Johnson, president; A. T. Smythe, vice-president; H. L. Johnson, secretary; W. W. McIver, treasurer.

Conducts a General Agency

President Johnson conducts the general agency of S. L. Johnson & Co. He was chosen president in 1929 after many years' experience in local agency and field work. He was formerly special agent of the Aetna for Georgia and South Carolina and then in Alabama, traveling for seven years. The Southern Home had premiums last year amounting to \$568,315.

The Savannah Fire was licensed in Colorado, Georgia, Illinois, Iowa, Michigan, New York, North Carolina, Ohio, South Carolina and Texas. Its capital was \$200,000, assets \$597,222, premium reserve \$209,082, net surplus \$125,144. Its premiums last year were \$260,331.

The Southern Home secured control of the company during 1925 and on Aug. 1, 1927, the control passed to the Southern Insurance Shares Corporation and in 1929 the Globe Underwriters Exchange of New York. There has been no change in the underwriting management. S. L. Johnson, president of the Southern Home, is president of the Savannah Fire. C. W. Ehlers, secretary and treasurer, has been with the company since 1918 and in addition to his connection with the company, he is secretary and manager of the Southern Reinsurance Exchange.

The Savannah is in the same group

with the Southern Home and the Republic of Dallas. The Globe Underwriters Exchange is a holding company, of which E. G. Seibels is president. This company bought the majority of stock interest in both the Southern Home and Savannah Fire and later the Republic. It also controls some foreign insurance companies.

COMPANY NEWS

The **Monarch Fire** has been licensed in New Jersey.

The **Columbia of New Jersey** has withdrawn from Prince Edward Island, Canada.

The **Central Fire** of Baltimore and the **Pennsylvania Lumbermen's Mutual Fire** have been licensed in Montana.

While the **British American** directors voted to pass the regular semi-annual dividend of \$2, it is stated it may be paid before the close of the year.

The **American Equitable** has reduced its dividend to \$1.20 annual basis as compared with \$1.50 heretofore. The **Kuickerbocker** has made a similar reduction in dividends.

Oil Insurance Slump

NEW YORK, July 29.—Overproduction in the oil fields of Texas and Oklahoma, with resultant heavy drop in the price of crude, is being felt by insurance companies through reduction in indemnity carried on oil properties.

Talmage Has New Setup

The business of C. O. Talmage and C. O. Talmage Company of Omaha has been consolidated under the title General States Insurance Corporation. Mr. Talmage is president. Headquarters are at 210 South 18th street, Omaha. Mr. Talmage expects to make connections in other cities. He was manager of the Columbia Fire Underwriters until a few months ago when active management was assumed by the National of Hartford.

Farmer Succeeds McCool

Worth Farmer has been appointed Oklahoma state agent for the Security of Connecticut, succeeding H. N. McCool. Mr. Farmer was formerly state agent for the western half of Oklahoma for the North America. He is succeeded in the latter position by Paul Ingles, who formerly had only the eastern half of the state.

Robert M. Senn

Robert M. Senn, formerly with Trezevant & Cochran in Arkansas, has been named special agent for the St. Paul Fire & Marine in eastern Oklahoma. He will work under R. B. Wentworth, state agent.

We are pleased to announce that

MR. THOMAS R. JORDAN

Formerly with Charles Sincere & Co.

has become associated with our unlisted securities department and will specialize in

Insurance and Bank Stocks

WAYNE HUMMER & CO.

Board of Trade Building, Chicago

Telephone Wabash 4677

Members of the Chicago Stock Exchange and Chicago Curb Exchange. Associate Members of the New York Curb Exchange

“STRENGTH LIES IN DEEDS NOT SIZE”



Photograph Courtesy Chicago Historical Society.

April 19, 1776—a resolute band of one hundred Minute Men in the gray of early morning resisted a large force of British troops marching to Concord to destroy military stores. This was the first overt act in the war for independence and showed the colonists were determined in their fight for liberty.

“DISPENSE you villains! Lay down your arms!” Not a move from any of the Minute Men who continued to hold their ground. A moment later—the “shot heard ’round the world” proclaiming that the patriots were solidly united in their fight for liberty.

Unusual acts of service which give an advantage have solidly united the field force and policyholders of the Eureka-Security Fire and Marine. This 67 year old company which writes all forms of insurance is large enough to write lines liberally, yet small enough to give individual attention.

The Eureka-Security Fire and Marine Insurance Company

Established 1864

Cincinnati Underwriters
CINCINNATI, OHIO



“THE COMPANY THAT KNOWS WHAT TO DO FOR ITS AGENTS AND DOES IT”

THE SATURDAY EARNINGS

...This year..more than ever.. insure your business

If a fire were to sweep your store or factory tonight, work would stop until extensive repairs or rebuilding could be completed. Even though your property insurance were adequate to cover loss to buildings and contents, there would still be many heavy expenses during the period of idleness—salaries of essential employees, taxes, interest, branch office expense, etc.

Such heavy outgo with little or no income has been disastrous for many businesses and might be for yours.

If, however, you carried **ALLIANCE** Prospective Earnings Insurance,* all such expenses and even your expected net profit would be paid—exactly as though no fire had occurred.

Prospective Earnings Insurance* can be secured at very reasonable rates to cover Fire, Windstorm, Explosion, Riot, etc.

*Prospective Earnings Insurance is also known as Use and Occupancy Insurance and Business Interruption Insurance.

Ask your ALLIANCE

ALLIANCE Agents
 know this is a good year to sell
Prospective Earnings Insurance.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
 209 W. Jackson Blvd.

SAN FRANCISCO
 231 Sansome Street

ATLANTA
 8th Floor, Hurt Bldg.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

CIGARET CLAIMS ABOUND

Claims ranging anywhere from \$10 to \$100 each for damage reputed to have been done rugs, tapestries, couches and other household furnishings, as a result of carelessly thrown cigars or cigarettes, are being received by companies with such frequency that certain offices have adopted the practice of ordering policy cancellations on residences from which two or more losses of such character are reported within brief periods; asserting that it is better to be without the business than to pay out in claims several times the amount of premiums received. Now that women have taken to smoking in such number, loss claims to furniture coverings and rugs has increased enormously.

BROKERS' CONTACT GROUP

F. R. Du Boise of Frank & Du Boise, has been appointed chairman of the newly created company contact committee of the Insurance Brokers Association of New York. The committee will represent the brokers in joint conferences with committees of insurance companies and of underwriters' associations in all matters not specifically referred to special committees. Other members of the committee are, H. E. Griswold of Goffe & Griswold; F. S. Little, R. C. Rathbone & Son; W. D. Owens, Owens & Phillips, and C. A. Slosson of Slosson's, Inc.

COMMITTEE IS SELECTED

O. Davies, vice-president General Exchange; P. L. Haid, president America Fore group; Wilfred Kurth, president Home fleet; J. Lester Parsons, president United States Fire, and Harold Warner, United States manager Royal-Liverpool & London & Globe groups, have been selected as members of the committee to represent the fire automobile insurance writing companies in conferences with the New York insurance department.

COMMERCIAL UNION'S JUBILEE

The Commercial Union has gotten out a very handsome brochure on its 60 years of progress in the United States as it was first licensed in New York in 1871. It immediately thereafter secured licenses in other states and is now a countrywide institution. It calls attention to the 60 years of its business history on this side, prosperous times being interspersed with various lean ones. There have been many difficult years with financial stress, war, storms, conflagrations and other disasters. The Commercial Union passed through all these vicissitudes unscathed. One agency that has represented the company since 1871 is still going on.

At the close of last year the company had in United States assets \$16,102,474 as compared with \$3,851,077 in 1900. Its United States surplus is now \$7,169,387 as compared with \$1,402,750 the close of 1900. The company calls attention to the present business depression with insurable values depleted and premium receipts off. Market values fell sharply. In spite of all this, the Commercial Union made a substantial increase in surplus and set aside a voluntary safety reserve. It states that its investment, like its underwriting policy, is based on experience and knowledge. Since 1871 it has paid in losses to United States policyholders \$143,018,348. The Commercial Union is a world wide institution and is a very strong organization.

SIGN I. U. B. PLEDGE

Thus far 192 company members of the Interstate Underwriters Board have under pledge of their respective chief executive, reaffirmed their agreement to observe in letter and in spirit the rules and regulations of that organization; a result highly pleasing to its manage-

ment. Additional pledges are coming in daily and it is confidently anticipated that before long practically all of the member companies will have taken the desired action.

In the communication addressed member offices by Manager J. R. Dumont June 6 each was asked to observe the rules and regulations of the board; to guarantee that "no letters, open binders or agreements of any kind," prejudicial to business coming within the scope of the organization would be issued; that reinsurance of business would not be granted a non-affiliated organization, and, finally, that it would submit to the I. U. B. all applications for ratings, daily reports and endorsements for master policies, reports of values and the like.

SUPPLEMENTAL CONTRACT OUT

The new supplemental contract covering against explosion, aircraft property damage, and fire resulting from riot and/or civil commotion has been issued to members by the explosion conference. It is to be attached to fire policies covering buildings and/or contents of single occupancy risks of superior construction, properly equipped with automatic sprinklers and with superior management and maintenance.

With the 50 percent coinsurance clause, the rate for the new contract, to be sold in conjunction with the fire policy, for \$100 is \$.003; 80 percent coinsurance, \$.002; 90 percent or more coinsurance, \$.001.

The minimum premium is \$2. New contracts will pass through the Fire Bureau stamping offices.

TO DECIDE RADIO ISSUE

Argument in the case of the state versus the International Broadcasting Co., to determine whether a radio station may disseminate information regarding a non-admitted insurance company, was heard in the Harlem court here July 22, the complaint being filed by the insurance department, while its position was argued by Deputy Attorney General Schneider. Decision is expected to be handed down this week.

PHRASE IS CONSTRUED

The New York appellate division third department, in suit Smith vs. Northern of New York et. al., interprets construction of the phrase "whole insurance covering property." Smith made a real estate exchange with Bishop. They agreed to exchange insurance policies also. It was claimed there were only three policies on the premises purchased and they contained the usual mortgage clause. Bishop did not mention the policy in the Glens Falls and Standard issued in Bishop's name, one, in possession of the first mortgagee and the other in the second. A fire destroyed the property. The three companies had insurance of \$4,500. The companies contend that the Glens Falls and Standard should be considered as contributing, thus raising the total insurance to \$7,500.

The question is, does the phrase "the whole insurance covering the property" relate only to insurance in favor of the same assured on the same interest? The higher court held that it relates to the insured's interest in the property described. The three insurance companies issued the only policies covering the interest of the plaintiff. The other policies were not a part of the "whole insurance covering the property."

Woman Cashier Wanted

Wanted Cashier—Journal Clerk. Experienced young lady for Home Office of fire company located in Chicago. State age, experience, references, salary expected. Address T-91, The National Underwriter.

Preferred Business

The Inter-Ocean is not interested in securing a spectacular volume of business. This company wants preferred business, and it is prepared to earn it by handling accounts in such a way as to eliminate friction, unnecessary delays, and all but the minimum of work for its customers.

REINSURANCE

INTER-OCEAN
REINSURANCE COMPANY
CEDAR RAPIDS, IOWA

RICHARD LORD, President
ROY E. CURRAY, Secretary
KARL P. BLAISE, Asst. Secy.

FIRE

TORNADO

AUTOMOBILE

AS SEEN FROM CHICAGO

A. K. FOREMAN WITH ALEXANDER

Alfred K. Foreman, vice-president and director of the Foreman-State National Bank of Chicago, which was recently taken over by the First National Bank, has joined the W. A. Alexander & Co. organization. Mr. Foreman has been interested in all insurance angles that developed in connection with the banking business. He has many valuable contacts in the city and he will undoubtedly become one of the big producers of Chicago. He plans to develop a multiple line business.

CHICAGO BOARD RESOLUTIONS

The constitution of the Chicago Board was amended by a resolution at the quarterly meeting to require all members of a company group, either to be members of the board or non-members.

"No member," the resolution declared, "shall represent a fire insurance company which is writing business in Cook county which is under the same management and/or control as another fire insurance company or companies writing business in Cook county, unless all companies of the fleet or group confine their agency representation in Cook county solely to members of the Chicago Board of Underwriters and issue no policies upon property in Cook county except through such agencies."

This action is in line with the principles implied in the Insurance Executives Association, now in process of organization. It is also in keeping with what the National Association of Insurance Agents has been advocating nationwide. Uniformity and consistency in the matter of submitting to regulation is the slogan of the day.

A resolution was also adopted seeking to place the responsibility for adherence to board rules upon companies

and their chief executives as well as upon their representatives in the board.

New members of the executive committee were elected as scheduled: J. F. Stafford, western manager Sun; L. H. Waidner, Waidner, Power, Zweig & Lasch, and W. M. Murray of Jens, Murray & Co.

Memorial resolutions were adopted for H. L. Wayne and L. J. Walsh, who had been an employee of the board for 40 years before his retirement on pension in 1923.

JORDAN WITH HUMMER & CO.

Thos. R. Jordan, who was formerly in charge of the insurance and bank stocks department of the Chicago financial brokerage house of Charles Sincere & Co., has been appointed manager of the insurance department of Wayne Hummer & Co. in the Board of Trade building, Chicago. Wayne Hummer & Co. deal in various investments and inasmuch as Mr. Hummer is an old time insurance man he desired to establish a department dealing with insurance stock. Mr. Hummer is the immediate past president of the Illinois Chamber of Commerce and is now chairman of the board. He is head of the Hummer & Wirtz Insurance Agency at La Salle. He is chairman of the board of the La Salle National Bank of La Salle, Ill. A. W. Wirtz of the Hummer & Wirtz Insurance Agency is cashier of the bank. George Wilson of the Wilson General Agency is president of the bank. H. E. Lawler manages the insurance agency. Mr. Hummer spends his time both in Chicago and La Salle.

GET LIFE GENERAL AGENCY

The well known E. E. Besser general agency of Chicago has completed negotiations with the Lincoln National Life of

Fort Wayne, Ind., to represent it as general agents. E. W. Reddaway, who joined this agency about a year and a half ago, is manager of the life department. This agency now represents as general agents or agents companies writing every form of insurance. Richard H. Besser, brother of E. E. Besser, who recently graduated from Franklin Marshall College, is now associated with the agency.

LOSS IN OFFICE BUILDING

The loss in the fire-proof office building of the Chicago, Burlington & Quincy railroad at Jackson boulevard and Quincy street in Chicago Saturday brought back the famous fire ten years ago which destroyed an entire block of buildings to the east of the C. B. & Q. building and badly damaged it from exposure. The fire Saturday started in a shaft housing the smokestack. Rubbish had accumulated in a heap at the 12th floor. Although the fire was extinguished in a short time, the damage is put at \$5,000, which shows that an up-to-date fire-proof office building has hazards after all.

PUBLIC RELATIONS MEETING

A series of meetings of the public relations committees in a number of states in central western territory will be held at different points next month, at which the campaign to be conducted during the coming months by the public relations committee of the National Board will be dealt with. The meetings will be in the nature of a round table discussion with the various local committees. Advertising copy will be displayed at these conferences, the discussion centering on how the local committees can cooperate to get the most out of the campaign.

Officers of the different State Fire Prevention Associations, as well as members of these organizations, are cordially invited to participate in the conferences, at which either A. L. Gale of Gale & Pietsch of Chicago, who are handling the advertising campaign for

Millers National Man Is Assistant Secretary



RALPH S. DANFORTH

R. S. Danforth, who has been superintendent of agencies of the Millers National, has been elected assistant secretary, thus making him an officer of the company. He is a son of F. S. Danforth, secretary Millers National. He joined the company in 1911 and has served as Illinois inspector, manager inspection department, manager automobile department.

the National Board, or Wallace Rogers of the agency will be present. R. E. Vernor, Western Actuarial Bureau, will attend as many of the meetings as possible.

The advertising campaign of a year ago, which was carried on by the Public Relations Committee of the National Board in the daily papers, will be expanded to include a number of the leading weekly papers in the different states. Following is the tentative schedule of

AMERICAN AUTOMOBILE INSURANCE COMPANIES

SAINT LOUIS

Offer the facilities of Branch Office service for the convenience of AGENTS and BROKERS at the following strategic locations, each servicing surrounding territory:

BOSTON

Boston Insurance Exchange,
W. D. DUTTON, *Manager*

CHICAGO

A2123 Insurance Exchange, South,
C. M. KINNEY, *Resident Vice-President*

COLUMBUS

513 First Citizens Bldg.,
R. I. TAYLOR, *Manager*

DETROIT

1717 First National Bank Bldg.,
R. Z. ALEXANDER, *Manager*

INDIANAPOLIS

210 Continental Bank Bldg.,
M. W. DOYLE, *Manager*

LOS ANGELES

200-724 South Spring St.,
D. R. SESSIONS, *Resident Vice-President*

MILWAUKEE

212 W. Wisconsin Ave.,
C. M. LATTI, *Manager*

NEWARK

1005 Chamber of Commerce Bldg.,
CARLTON HINES, *Manager*

NEW ORLEANS

1227 Hibernia Bank Bldg.,
J. J. GREVEMBERG, *Manager*

NEW YORK

21st Floor, 90 John St.,
R. S. CHOATE, *Resident Vice-President*

PHILADELPHIA

329 Walnut St.,
J. R. HUGHES, *Manager*

SAN FRANCISCO

301 Adam Grant Bldg.,
GEO. E. ADAMS, *Resident Vice-President*

INSURANCE ON AUTOMOBILES EXCLUSIVELY

SINCE 1911

the public relations conferences arranged for August: Des Moines, 7; Minneapolis, 8; Columbus, Ohio, 10; Louisville, 11; Columbia, Mo., 12; Topeka, 15; Sioux Falls, S. D., 17; Fargo, N. D., 19.

* * *

VERNOR'S SPLENDID WORK

During the past year R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, made 69 public addresses to a combined audience of 21,400 persons. Seventeen were made in connection with town inspection and educational campaigns conducted by the various state fire prevention associations in central western territory. Twenty-four of the talks were given at luncheon club meetings in various towns. The talks were given in 11 states in the territory. Two of them were made before national conventions and eight at firemen's short courses.

* * *

COMMITTEE ON RELIEF

The Illinois Blue Goose held a special meeting in Chicago Monday to consider the question of relief on account of men out of employment, who are in urgent need of assistance or families in dire stress. A few cases were brought up where some action seemed desirable. A committee was appointed consisting of J. E. Mattimore, Phoenix of England, chairman; B. F. Peters, Queen; C. T. Wright, Great American; R. E. Minner, Aetna, and J. D. LaTeer, Agricultural, to make a canvass of the situation and recommend some logical course to follow where financial assistance is needed. It is proposed, for example, to remit all dues to unemployed members.

* * *

BANK DIRECTORS CHOSEN

Three insurance presidents and one vice-president are on the board of the Central Republic Bank & Trust Co. of Chicago, the results of the merger of the Central Trust Company and the National Bank of the Republic of that city, which started its career as a united institution Monday. They are: President R. W. Stevens, Illinois Life; President C. W. Higley, Hanover Fire; President J. S. Kemper, Lumbermen's Mutual Casualty of Chicago, and Vice-President and Western Manager C. R. Street, Great American.

* * *

ROGER SIMPSON MARRIED

Roger Simpson, son of H. L. Simpson, vice-president Pacific Board and manager Connecticut and Westchester, was married at St. James church in Chicago to Miss Janet Anderson of Stoughton, Wis. Roger Simpson is secretary at Chicago for Newhouse & Sayre, general agents all-risks department, Home of New York. Mrs. Simpson is the daughter of E. S. Anderson, one of Stoughton's leading merchants, who won the sobriquet "Slam" as All-American center on the Wisconsin University football team. The Simpson's took a short honeymoon of a week which was interrupted by business, but will spend a short time in Minnesota soon.

* * *

H. M. Carmichael, Chicago, general manager of the Oil Insurance Association, was in Denver last week.

* * *

Waldner, Power, Zweig & Lasch will shortly remove their office to handsomely equipped quarters at A2041 in the Insurance Exchange, Chicago, to take care of their expanding business.

Do you know that The National Underwriter Company publishes a course of instruction in the **Dean Schedule**? It will pay you to get information concerning this method of measuring fire rates. Write for booklet, "Business Getting Knowledge."

Michigan, Wayne County, Manager of a prominent fire company, with many years' experience as a successful producer, is interested in a new connection of like capacity. Reference, present employer. Address T94, The National Underwriter.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of July 27

Stock	Par	Div. per Share	Bid	Asked
Abraham Lin-				
coln Life	20	1.60	37	...
Aetna Cas.	10	1.60	74	79
Aetna Fire	10	2.00	42	44
Aetna Life	10	1.20	43	45
Agricultural	25	4.00	90	100
Amer. Alliance ..	10	1.60	23	25
Amer. Equitable ..	5	1.20	8 1/2	10 1/2
American, N. J. ..	5	1.00	15	17
Amer. Surety	25	6.00	48	53
Automobile	10	1.20	25	27
Baltimore Amer. ..	5	.80	9 1/2	11
Bankers & Ship. ..	25	3.50	95	105
Boston	100	16.00	460	485
Brooklyn	5	1.20	8	10
Carolina	10	1.50	21	23
Cent. Life Ill.	20	.80	28	32
City of N. Y.	100	16.00	225	250
Contl. Assur.	10	2.00	60	63
Continental Cas. ..	10	1.60	26	28
Federal Life	10	1.00	13	16
Fireman's Fund. ..	25	5.00	80	82
Fireman's F. Ind. ..	...	...	30	34
Firemen's	10	2.20	22	24
Franklin	5	1.60	21	23
Glens Falls	10	1.50	41	44
Globe & Rutgers.100	24.00	490	515	
Great Am. Fire.	10	1.60	25	27
Great Am. Ind.	10	...	16	18
Hanover	10	1.60	27	29
Harmonia	10	1.50	23	25
Hartford Fire.	10	2.00	56	58
Hartf. Ste. Boiler ..	10	1.60	61	65
Home F. & M.	10	2.00	30	35 1/2
Home, N. Y.	10	2.00	30	32
Homestead	10	1.30	17	19
Ins. Co. of No. A. ..	10	*2.50	52	54
Lincoln Natl. L.	10	*2.50	44	46
Missouri St. Life ..	10	1.20	15	17
National Cas.	10	1.20	15	17
National Fire.	10	2.00	51	53
National Liberty ..	5	.50	7 1/2	8 1/2
National Union.	100	...	98	106
Northern, N. Y.	25	4.00	70	80
North River	10	2.00	34	36
N. W. National.	25	5.00	95	105
N. W. Natl. L. ....	...	...	11	13
Occidental	10	...	16 1/2	22
Ohio Natl. Life.	10	...	29	...
Old Line L.	10	1.50	24	25
Pacific Mut. Life ..	10	2.40	50	54
Peoples National ..	5	.50	5 1/2	6 1/2
Phoenix Ins.	10	2.00	64	66
Prov. Wash.	10	2.20	45	47
Sec. Life	10	.60	...	9 1/2
Springfield	25	4.50	98	104
F. & M.	25	6.00	150	156
St. Paul F. & M.	100	25.00	1150	1250
Sun Life	100	22.00	710	735
Travelers	25	4.00	40	45
U. S. Casualty.	10	2.40	40	45
U. S. Fire.	100	16.00	270	290
U. S. Mer. & Sh.	10	*2.50	35	37
Westchester	10	...	...	...

*Extra dividend paid.

To Remain in Savannah

Charles W. Ehlers, manager, and Katherine S. Ehlers, assistant secretary, Savannah Fire, which has just been merged into the Southern Home, have decided to remain in Savannah and continue to manage the Southern Reinsurance Exchange. John D. Carswell is retiring as vice-president and secretary of the Savannah Fire.

The Southern Reinsurance Exchange consists of 13 company members which exchange reinsurance among themselves on risks in 17 states. Work was carried on at the home office of the Savannah Fire with Mr. Ehlers as manager and Miss Ehlers, assistant secretary.

Seek to Restrain Exchange

ST. PAUL, MINN., July 29.—Action has been brought by the Dwyer, Maas Co. against the Insurance Exchange of St. Paul to prevent it from cancelling the agency's membership. The exchange served notice on the agency recently that it would have to discontinue representing a non-conference company or be ousted from the exchange. The Dwyer, Maas Co. has sought a restraining order in court.

To Address Minnesota Body

ST. PAUL, MINN., July 29.—A. H. Stofft, Minneapolis manager of the Ocean Accident & Guarantee, will be a speaker at the annual meeting of the Minnesota Association of Insurance Agents to be held in St. Paul Aug. 27.

"Your Opportunity to Earn More," a free booklet for A&H men. Write The National Underwriter, Cincinnati.

NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-FIRST ANNUAL STATEMENT

January 1, 1931

Assets

United States Bonds	\$3,213,000.00
State and Municipal Bonds and Stocks	12,104,678.97
Canadian Bonds, Government and Municipal	276,930.00
Foreign Bonds	122,100.00
Real Estate	381,500.00
Agents' Balances	821,929.20
Accounts Receivable	202,787.33
Cash in Banks	627,252.47

\$17,750,177.97

Liabilities

Capital Stock	\$3,000,000.00
Unearned Premium Reserve	5,212,038.21
Reserve for Losses	635,810.66
Reserve for Taxes and Other Liabilities	371,075.65
Reserve for Dividends Declared and Unpaid	150,514.44
Net Surplus	8,380,739.01

\$17,750,177.97

POLICYHOLDERS' SURPLUS \$11,380,739.01

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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Associated
Business Papers



MEMBER
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BUREAU
OF
CIRCULATIONS



National Publishers
Association

Time to Ponder Over Taxation

New York State "having already developed about every form of taxation used throughout the country," yet finds it necessary to raise additional revenue, and is studying methods to such end. After a thoughtful review of the situation the NATIONAL INDUSTRIAL CONFERENCE BOARD among other suggestions offers the sensible one "that steps should be taken to reduce the expenditures of the local governments through a more efficient organization of their financial administration." The same thought has been in the minds of taxpayers generally, not only in New York but in other states, and, indeed, in New Jersey an association is in existence to oppose the steady increase in tax levies. Lawmakers spend no little time in seeking to evolve additional sources of income, instead of doing what to the average man is the perfectly obvious thing, i. e. curtailing expenditures. Insurance companies,

with their reserve accumulations and assets present an ever attractive target for tax increase advocates to shoot at, utterly unmindful or indifferent to the fact that through the enactment of measures of this character they are penalizing thrift and adding to the already heavy burdens of the industrious citizens. Touching upon the subject of taxation, particularly as applied to stock fire companies, the recent president of the NATIONAL BOARD, James Wyper, in the course of his address before the annual gathering, held that "failure to fight uncompromisingly against the continually mounting burden of special taxes is a dereliction of duty and a surrender of principle."

Evidence is not lacking that the same thought is seeping into the minds of business men generally and that efforts to increase present taxation will be vigorously contested.

Should Now Appreciate Real Values

In all the welter and confusion of the past year and a half in the economic and business world, there is at least one optimistic point of view. Unless we can learn some lessons from the severe experience through which we have passed, then indeed we would face a hopeless day.

In our opinion this sore trial through which we are passing has taught us the desirability of appreciating real and genuine values. Unless we have been wise enough to see that we have anchored ourselves somewhat to the unreal and the fatuous, we would not have learned any discriminating sense. Certainly we should be able now to discover the fundamentals, to see the real substance. We built castles in the air and were trying to catch soap bubbles. We attempted to defy economic prin-

ciples and follow strange paths.

Because of our departure from the ordinary road and our attempt to base our operations on a false foundation, we are paying the penalty. Every boom, every inflated era, every day that has set up a false economic god must pay the cost.

Insurance people certainly realize that their business is one of the basic industries. It is one on which civilization is built. There is no fluctuation in it. It stands always for 100 cents on the dollar. The speculative element is absent. We take insurance to stabilize values, to make our foundations secure. In our opinion the public at large will discriminate more and more in favor of insurance and will see the necessity of establishing proper safeguards about one's property and life.

PERSONAL SIDE OF BUSINESS

R. J. Jordon, formerly Minnesota state agent of the Great American and now director of customs at Corinto, Nicaragua, is in Chicago this week, being on his annual vacation up north. He has been spending considerable time at Minneapolis and was driven down to Chicago by P. H. Ware, secretary of the Minnesota Association of Insurance Agents.

S. M. Buck, of Chicago, western manager of the Fireman's Fund, who has been in the Flambeau region, Wis., on a fishing trip, is back at his desk, having exhausted the lakes in that region. He was associated with Vice-President M. P. Cornelius of the Continental Casualty in fishing expeditions.

W. J. Lynch, agent at Salt Lake City for many years, died last week. He had represented the Providence Washington for 29 years.

Frank Fassold, who sold his agency at Oconomowoc, Wis., and on June 1 went to Seattle for the summer, has located at 7114 Woodside place. He intends to return east in the fall.

The trips which Henry L. Rose of Baltimore, head of the Blue Goose, has been making to the various ponds throughout the United States and Canada have taken him a total of 21,600 miles. Before the Grand Nest meeting in Milwaukee in September, Mr. Rose expects to have visited 44 ponds in the United States and Canada and to have traveled 25,000 miles.

Carl A. Henry of San Francisco, manager of the Sun of England, was called to New York to meet General Manager Otter-Berry before the latter left for home. Mr. Henry flew all the way from San Francisco to New York. He started at 10 o'clock on a Friday morning from San Francisco, flew across to Cleveland, then took another plane and arrived in New York at 4 o'clock Saturday afternoon.

Arthur T. Vanderbilt, chairman of the board of the Public Fire and Public Indemnity, has three hobbies: law, politics and flowers. His law work keeps him busy but political activities are confined to conferences at the present time, which enables him to devote considerable time to his flowers on his estate at Short Hills, N. J. The collection of plants is considered one of the best in Essex county. Water lilies abound in ponds and there is practically every known variety of flowers along the mounds and paths which skirt the grounds. Many motorists tour there to view the display.

T. W. Sprickman, Indiana state agent Philadelphia Fire & Marine, was recently presented with a 26 year service medal by W. B. Flickinger, western manager. Mr. Sprickman has been in Indiana for the company seven years. He started out with Mr. Flickinger when the office was located at Erie.

J. B. Leigh, Jr., son of the widely known Little Rock, Ark., general agent, received appointment as cadet lieutenant at the annual encampment of the Citizens Military Training Camp, at Camp Pike, Ark., recently; this being the highest award that can be obtained.

John F. Lawrence, who retired on pension last year after about 50 years' service with the North America, died at his home in Chicago Monday at the age of 81. Mr. Lawrence started with the North America in Erie, Pa., when its western department was located there. In that office he rose to the position of chief accountant. When western headquarters of the North America were moved to Chicago in 1910, he was as-

signed to the loss department and continued in that work until his retirement. He was born in London.

C. C. Wysong, former Indiana insurance commissioner, while driving last week, met with an accident in which he escaped injury but his wife and daughter suffered painful cuts and bruises. The car was not badly damaged.

The first issue of the "Western Underwriter," the combination of the "Pacific Underwriter" of San Francisco and the "Insurance Report" of Denver, is off the press and shows the work of Editor Cyrus K. Drew's clever handiwork. Mr. Drew is one of the interesting and trenchant writers on insurance and his paper teems with sidelights, comments and observations of the business in the Rocky Mountain-Pacific Coast field. The "Western Underwriter," leaves to THE NATIONAL UNDERWRITER, with which it cooperates, the major news service and specializes in interpretation of the news feature articles, and discussions. It will win an increasing appreciation both in its own territory and throughout the country among those who are interested in following the trends of the great west.

W. K. Wisner, who was 70 years of age and was active in the Iowa field a number of years ago, died at a Grinnell, Ia., hospital last week. He was involved in an automobile accident the previous day. He retired from the business at Cedar Rapids a year ago. He and his wife were on their way to Seattle to make their home when the accident occurred. Mrs. Wisner was injured to some extent. Mr. Wisner entered insurance in 1884. After leaving the field he established the Wisner Insurance Agency at Cedar Rapids.

F. M. Coleman, Coleman & Company, San Antonio, Tex., is becoming air-minded. He left San Antonio by plane, transferred to the railroad and was in New York City the next day to confer with company officials.

In commemoration of his 40th anniversary in insurance at San Francisco, A. J. Chapman, of Chapman & Co., general agency, has issued a pamphlet, titled "The House of Chapman," which he is distributing to friends. It details history of the Chapman family in the state. "We are 80 years and five generations in California," says Mr. Chapman. The family took root in the state with the arrival of Albert P. Chapman in 1850. In looking back over his own career, Mr. Chapman says: "Acceptance of a junior clerkship in the San Francisco office of an insurance agency, on July 22, 1891, started me on my insurance career. That was just 40 years ago, but it seems like yesterday. We are really engaged in a philanthropic work and it is the association and the cooperation we have with each other that creates the strong bond of fellowship we unconsciously enjoy."

Commissioner Lowry of Mississippi is up for renomination in the Democratic primary of Aug. 4. He is opposed by G. D. Riley. Nomination is equivalent to election.

Funeral services were held Saturday in Willmar, Minn., for C. A. Nelson, father of Jacob Nelson, superintendent of the hail department of the America Fore companies. Mr. Nelson, who was 73 at the time of his death, had been engaged in the jewelry business in Willmar for a number of years. Jacob Nelson is the only surviving son. He went to Willmar to take charge of funeral arrangements and will return to Chicago the latter part of this week.

Announcement!

The management of the
COMMERCIAL UNION GROUP
announces that

W. B. BRANDT & CO., Inc.
Underwriters

with offices conveniently located at

NEW YORK CITY
123 William St.

CHICAGO
175 W. Jackson Blvd.

SAN FRANCISCO
315 Montgomery St.

LOS ANGELES
315 W. 9th St.

have been appointed General Agents for the INLAND MARINE DEPARTMENT of the COMMERCIAL UNION GROUP of Companies for the entire United States.

Messrs. W. B. Brandt & Co., Inc., have for many years been General Agents of the COMMERCIAL UNION GROUP for ALL RISKS classes. The efficient and satisfactory development of this service to Agents and Brokers has suggested an extension of their service to include the closely allied INLAND MARINE classes.

The combined ALL RISKS and INLAND MARINE facilities of the office of W. B. Brandt & Co. are available to Agents representing:

COMMERCIAL UNION ASSURANCE COMPANY, LIMITED, OF LONDON
THE BRITISH GENERAL INSURANCE COMPANY, LIMITED
AMERICAN CENTRAL INSURANCE COMPANY
THE PALATINE INSURANCE COMPANY, LIMITED
THE CALIFORNIA INSURANCE COMPANY
UNION ASSURANCE SOCIETY, LIMITED
THE COMMERCIAL UNION FIRE INSURANCE COMPANY OF NEW YORK

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Situation Is More Complex

Ohio Motorists Mutual Has Men in Cincinnati Territory Actively Soliciting Business

The Ohio Motorists Mutual has certified to the superintendent of insurance of Ohio the names of about 35 people as representatives in Cincinnati and surrounding Ohio counties. In Cincinnati, these men are actively soliciting business for the Cincinnati Automobile Club Insurance Exchange. The city and country has been divided into districts and each man has charge of a district with the title of district manager.

This action of the Motorists Mutual followed the first opinion of Attorney-General Bettman that domestic casualty companies were not subject to the general agency qualification laws of the state. Last Friday, after a hearing of attorneys representing both the Cincinnati Automobile Club and interested parties on the other side, Attorney-General Bettman announced that he would reconsider his first decision. He notified attorneys on both sides that he would receive briefs on the points of law involved until Aug. 1. It is assumed that the superintendent of insurance will now make no move in the case until the attorney-general has given his final opinion. This is expected to be given out by the middle of August.

Some Features Presented

In the hearing before Attorney-General Bettman, Russell Knepper emphasized that there were from 800 to 1,000 non-state companies doing business in Ohio, paying about \$6,000,000 in taxes. By admission of these companies in the state to do business, Ohio has accepted them as quasi-citizens, said Mr. Knepper, and as quasi-citizens, it would be unconstitutional under the 14th amendment to discriminate against them. He cited 116 Ohio State, 147.

Former Superintendent Younger declared that the Cincinnati Automobile Club could not do through a creature of its own what it could not do under the law in its own corporate person, Former Superintendent A. I. Vorys declared that the exemption statute did not repeal the general agency qualification statute as it applies to domestic casualty companies. He pointed out also that leading domestic casualty companies of Ohio were opposed to discrimination against outside companies since they recognize that a demoralization of the insurance business might follow, harmful to all companies.

Former Superintendent W. H. Tomlinson recited the history of the legislation involved. It was pointed out that if the dates when the laws became effective determine which statute supercedes the other, then the general agency qualification law supercedes the exemption section.

Whatever the immediate outcome from the attorney-general's office, it now seems that the issue is likely to reach a final decision in the courts and possibly beyond that in the legislative halls.

Will Fight Auto Case

At a meeting in Columbus of the committee of the Ohio Insurance Protective League, selected to consider the Cincinnati Automobile Club case, it was decided to be prepared to fight the case through on any issue which might arise. The meeting was held last Friday.

Warner Sounds a Warning

Ohio Insurance Superintendent Tells Danger of Dealing with Unadmitted Companies

A warning to the people of Ohio against buying insurance from those not licensed by the state and from companies not authorized to do business in Ohio, was the subject of a radio address given last Friday by C. T. Warner, Ohio superintendent of insurance. The talk was given over Station WAIU in Columbus through the courtesy of the American Insurance Union.

Mr. Warner reviewed briefly the history and functions of the department, emphasizing that the companies paid to the state in 1930 over \$7,000,000 in taxes, of which \$132,000 was spent for maintenance of the department. The office, he said, ranks first among the Ohio state departments in the amount of revenue produced for the general revenue fund and ranks third among the insurance departments of the country in the amount of money turned in to general state funds.

The most significant statement in Superintendent Warner's address was this: "There is another provision of law which forbids an unlicensed agent of an unauthorized company to perform any act in this state relating to or concerning any policy or contract of insurance, a violation of which law carries a fine and imprisonment in the Ohio state penitentiary." An enforcement of this law would make it exceedingly dangerous for any company to do business in Ohio where adjustments, for instance, require the personal presence of an adjuster. The question has been raised, for instance, how is a company like the Allstate of Illinois to get its losses adjusted in Ohio without entering the state as an authorized company and paying its taxes as any other company? It would appear under this section of the law that anyone acting in the capacity of an adjuster for a company not admitted to do business in the state would be subject upon conviction to fine and imprisonment in the penitentiary. It is believed that the insurance department expects to enforce this statute vigorously.

Rubrecht Names Committee

H. L. Rubrecht, president Fire Prevention Association of Ohio, has appointed the following executive committee: Chairman, P. F. Brown, Hanover; P. F. Baughman, North America; A. E. Bulau, Southern Fire; J. W. DeCessna, Queen; R. B. Criswell, F. O. Evertz, Bernard F. Flood, Ohio Inspection Bureau; Allen C. Guy, Western Adjusting; L. C. Heller, Providence-Washington; Wm. C. Howe, Milwaukee Mechanics; R. W. Hukill, Fireman's Fund; L. E. Kietzman, American of

Newark; E. A. Reid, London Assurance; D. C. Smith, Continental; H. D. Smith, Detroit Fire & Marine; Martin Vold, Jr., Springfield Fire & Marine; Tom Walker, Importers & Exporters; and E. A. Winter, National Liberty.

Youngest Member at Cincinnati

Horace F. Lyons has become a member of the Cincinnati Board. He is 28 years old. He enters with the sole agency of the British General. He represents also the Commerce of Glens Falls. Mr. Lyons entered the business a few years ago in Westwood and has made steady progress in developing an agency.

J. V. Patterson Starts Agency

Joseph V. Patterson, former agency field superintendent in Chicago for the Continental Casualty, and broker attached to the Chicago branch office of the Continental Casualty, has organized Patterson's Insurance Agency at 234½ South Main street, Findlay, O. He is representing the Globe & Rutgers, United Firemen's, Twin City, Commercial Union, New Brunswick, Standard Accident, and Central West Casualty. Mr. Patterson was a resident of Findlay before being associated with the Continental Casualty in Chicago. He was at one time sales manager for Porcelain Products, Inc.

Thayer Takes Larger Quarters

R. M. Thayer, operating under the name of Thayer Adjustments, of Cleveland, has opened new and larger offices in the Chester-Twelfth building. Mr. Thayer has many years experience in the adjustment and investigation of casualty claims representing companies only.

Ohio Blue Goose Committee

The Ohio Blue Goose committee designated as the insurance committee in the announcement which appeared last week should have been designated as the sick committee. This committee is headed by R. W. Hukill and includes B. F. Flood and J. F. Shaw. The insurance committee is Arthur Lohmeyer, state agent of the Aetna.

Ohio Notes

C. H. Parsons, vice-president Brooks & Stafford Company, who has been confined for several weeks on account of illness, is convalescing.

W. A. Marker, Van Wert, O., former secretary Ohio board of public works, has been appointed financial officer of the Ohio insurance department to succeed Miss Thurza D. Black.

Frank Nurre has joined the Thomas Woods office in Cincinnati as a solicitor. Mr. Nurre has been prominent in the life insurance business. He was for several years general agent for the Connecticut General in Cincinnati.

The Standard Insurance Agency has been incorporated at Huntington, W. Va., by G. K. Allen, A. K. Allen and C. J. Moore.

CENTRAL WESTERN STATES

Argue \$1,500,000 Line Again

Lighting Commission and Detroit Council Still Far Apart—Cary Agency Makes Offer

DETROIT, July 29.—Two new chapters were added this week in the row over the \$1,500,000 insurance contract for the Mistersky power plant of the public lighting commission, the much-

disputed contract finally being dropped in the council's lap for determination. Thus the council is confronted with the alternatives of returning the matter to the commission for recommendation or placing it with the controller.

C. E. Page, assistant corporation counsel, gave the council an opinion on the question whether the council could award a contract regardless of the recommendation of the commission. He recommended the insurance be given the Hartford Steam Boiler and

the policy divided among six agencies: J. V. Clancy, Marsh & McClellan, A. E. Gutman agency, W. A. Zimmerman, E. I. Craig & Co. and Willette & Hughes. Mr. Page said the charter permits the commission to recommend and the council to approve or not, as it sees fit. He said the council is empowered to provide for protection, preservation and improvement of city-owned property, so the council, through the controller, may authorize and execute an insurance contract in event the commission does not submit one satisfactory to the council.

The council had gone on record as opposed to splitting the business, involving \$45,300 premiums, although a majority favor giving the insurance to the Hartford Steam Boiler.

At a commission hearing, W. B. Cary, president Michigan Insurance Agency, a competing company, offered to carry the insurance over a four-year period at a saving of \$1,300 under the prevailing three-year rate, and he posted a \$25,000 bond which he said would be forfeited if his offer of a \$1,300 reduction did not prove true.

Representatives of the Hartford Steam Boiler charged the Cary offer was in effect a rebate, which Mr. Cary denied. The commission voted to present its views and a statement of facts to the council, expressing belief that a saving could be effected by accepting Mr. Cary's offer.

Local Board is a Live One

Twin Cities Agency Association Is Carrying on Some Educational Work for Its Members

The Twin Cities Local Agency Association organized in the latter part of 1926 by agents of Champaign and Urbana, Ill., is a very live organization. Walter Savage is president; E. A. Gardner, vice-president and Daniel Swannell, secretary-treasurer. It meets once a month, has dinner in the evening and about every other month devotes its time to educational talks and discussions. Every once in a while the clerks from the offices are asked in. At the last meeting Freeman C. Read of Chicago, of the Globe Indemnity, gave a talk on some of the casualty contracts. G. W. Fisher of the Hartford gave a talk on the advisory rule book at a previous meeting. The organization has worked out a plan of credit so that those policies that are cancelled on which the assureds who neglect to pay their premiums have but little standing.

Rockford Reciprocal Elects

The Rockford, Ill., Inter-Insurance Exchange has elected new officers, A. M. Mattison, being president and attorney in fact; H. L. Olson, vice-president, and R. L. Grand, secretary and treasurer.

Illinois Local Agents Meeting

The annual meeting of the Illinois Association of Insurance Agents will be held at the Pere Marquette hotel, Peoria, Nov. 4. Secretary S. E. Moisant was at Peoria last week, meeting with the local agents and making arrangements. J. E. Martin of Callender & Co. is president of the Peoria Association of Insurance Agents and will appoint committees to look after the local arrangements.

Charity Committee Named

The Illinois Blue Goose in a special session Monday created a committee of five with J. E. Mattimore, Phoenix of London, chairman, to handle special charity cases. Creation of the committee was decided upon owing to the

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

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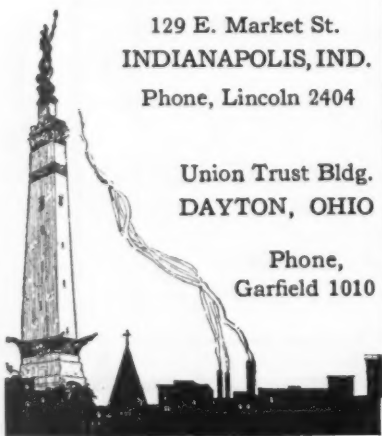
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death of a former member of the Illinois pond, whose membership has lapsed, but for the welfare of whose family at his death the Illinois pond felt morally obligated.

The pond also voted to approve the project of opening Blue Goose ranks to casualty men. This proposition will be voted upon at the Grand Nest meeting in Milwaukee in September.

Ramey's New Office Ready

INDIANAPOLIS, July 29.—The remodeling of the third floor of the Fletcher American building here for oc-

cupancy of the G. L. Ramey Agency, Inc., is nearly completed. A reception for office employees is planned for Saturday night and an open house for the public next week.

C. L. Harrison has been elected president of the Farmers Mutual Fire of Centerville, Mich. He is a son of William Harrison, who has been president for some years.

The Menting Insurance Agency, Antigo, Wis., has purchased the George Parsons agency. Gerald Vassau of Milwaukee will be associated with his brother, who has been here for some time in charge of the Menting agency.

STATES OF THE NORTHWEST

Reports on Wisconsin Fund

Commissioner Mortensen Notes Surplus Increase, Low Expenses and Savings to Taxpayers

The Wisconsin state insurance fund experienced the most successful year since it was organized in 1903, during 1930 Insurance Commissioner Mortensen reports. Surplus increased from \$2,193,538 to \$2,434,347. He said surplus in proportion to insurance in force is greater than that of any large stock company operating in the state. Net premium income was \$189,560, of which the state paid in \$133,835, and the other units \$55,727. Income from the investments was \$103,927 and losses paid \$29,540.

Since organization of the fund, premiums, interest, return premiums on reinsurance and profit on sale of bonds collected have aggregated \$3,676,903, while losses, expenses, reinsurance procured and loss on sales of bonds was \$1,089,721, which leaves a balance of \$2,587,181, Mr. Mortensen said. Expenses since organization have been \$82,515, premiums paid in by the state \$2,562,672 and savings \$947,586. Total saving to Wisconsin taxpayers has been \$1,148,896, he reported.

Cites a Large Saving

Loss ratio on state property is 27.79 percent and non-state property, 28.39 percent, with average loss ratio 28.18 percent. Expense ratio is 2.7 percent, he said. He reports approximately \$2,600,000 in the fund. Amount of insurance carried on state property is \$92,933,854 and on other units \$27,885,663.

The fund was created in 1903 to cover all state property for 90 percent of value at 60 percent of the stock rate. In 1911 and 1913 county, city, village, town, school district and library property was included. Mr. Mortensen reports that 28 counties, 40 cities, villages and towns, 161 school districts, three sanatoria and six library boards have exercised their option to obtain this cover. Mr. Mortensen states the fund is "safe, sound and serviceable" and has the "full faith and credit" of Wisconsin behind it.

Plan for Grand Nest

MILWAUKEE, July 29.—The Wisconsin Home Nest of the Blue Goose will hold a special luncheon meeting here Aug. 3 to discuss plans for entertainment of the delegates and visitors to the Grand Nest meeting here Sept. 8-10. Appointment of committees to take charge of various activities will be announced at this meeting.

Can Suspend Members

MADISON, WIS., July 29.—A mutual hail and tornado carrier operating under general insurance law may suspend a policy because of non-payment of assessment as required by by-laws, the attorney-general rules in an opinion asked by former Commissioner M. A. Freedy. The mutual's by-laws provide that when assessment is made, members shall be notified, giving the list of losses, and if any member fails to pay such as-

sessments as may be required he stands suspended until payment is made. Deputy Attorney-General Bryan who wrote the opinion said he knew no statute forbidding such a by-law, and when it is incorporated in insurance contracts the person whose property is insured, being a member of the mutual, is bound thereby.

Ely Heads Field Men

MILWAUKEE, July 29.—Arthur H. Ely, state agent North America, has been elected president of the Wisconsin Fire Underwriters association, succeeding the late Walter B. Erfert. Mr. Ely

Appeals by Radio to Public

Commissioner Hobbs of Kansas Warns Against Operations of Non-Admitted Companies—Asks Cooperation

Commissioner C. F. Hobbs, of Kansas has appealed over the radio for aid in combating the operations of unlicensed carriers. He spoke over KFBT, station of the Farmers & Bankers Life, Wichita. "Non-admitted companies file no letter of attorney with the insurance commissioner," he pointed out, "and they cannot be made to do so unless admitted to this state. Therefore if suits are brought on policies issued by non-admitted companies, such suits would have to be entered in the home states of the companies rather than in the courts of Kansas. The jurisdiction of the insurance commissioner under the statutes extends only to authorized companies, with the result that if a claim arises against a non-admitted company the insurance department can be of no service to the policyholder in obtaining a proper settlement of such claim."

"Authorized companies pay fees and taxes to the state, and it is not fair that they should be required to compete with non-admitted companies which do not pay such fees and taxes. Non-admitted companies are not under the jurisdiction of the insurance department. We have no supervision over their financial structure or condition, and as a general rule such companies pay no attention to correspondence from the department. Only companies admitted to the state have local representatives who are in a position to render such a service."

Mr. Hobbs urged his hearers when they are in doubt about an insurance company or agent to demand to see the license.

Millholen and Thoelecke Head Nebraska Field Men

The Nebraska Blue Goose and the Nebraska Fire Prevention Association held their annual meeting at the Lakeview Country Club, Omaha, last week. A. L. Millholen, Home of New York, was elected president of the Fire Prevention Association, and Louis C. Thoe-

lecke was elected vice-president at the annual meeting the latter part of June.

File Bankruptcy Schedule

MILWAUKEE, July 29.—Liabilities of \$1,466,349 and assets of \$1,562,050 are shown in the schedules in bankruptcy filed by Hackett Hoff & Thiermann, defunct Milwaukee real estate, investment and insurance agency. More than 3,500 persons are listed as claimants. Among the claims against the company is one for \$259,228 by Mrs. Elizabeth M. Thiermann, the widow. The sum, she says, has been advanced to the concern by her since her husband's death.

Over 6,000 Hail Claims

FARGO, N. D., July 29.—Claims for hail losses made to the North Dakota hail insurance department total 6,298 for the season according to figures announced by Manager Martin Hagen.

Wisconsin Notes

The Protective Insurance Agency, Milwaukee, has been incorporated by R. Hayes, D. H. Rotter and W. L. Day.

H. P. Favell, former cashier Northwestern State Bank, has opened a general insurance agency at 206½ Bridge street, Chippewa Falls, Wis. Mr. Favell has been in the insurance business for 25 years during his association with the bank which was recently closed by its directors.

IN THE MISSOURI VALLEY

lecke was elected most loyal gander of the Nebraska Pond. J. W. James, Northwestern Fire & Marine, was elected vice-president of the Fire Prevention Association and G. W. Owen, New York Underwriters, was elected secretary. S. L. Gardner was made supervisor of the Blue Goose; G. B. Campbell, custodian; E. L. Crellin, keeper, and L. H. Bridges, welder. R. H. Baldwin, retiring most loyal gander, and Mr. Bridges were chosen grand nest delegates.

A handicap golf match was won by Harry Profit of Hastings with Elmer Straka, Omaha, second. J. B. Hillers, Hastings, president Nebraska Association of Insurance Agents, spoke at the dinner.

Randolph Buck to Address Iowa Field Men August 4

Randolph Buck, manager of the Western Factory Association, has been secured to address the annual meeting of the Iowa Fire Underwriters Association at Des Moines, Aug. 4. Mr. Buck will undoubtedly expound the theory of reciprocity in business at this address. He has created much interest in his various talks, advocating that agents direct their buying power in favor of those industries, which support the stock insurance principle.

Iowa Agents Prepare for Silver Anniversary Meet

SIOUX CITY, IA., July 29.—The Iowa Association of Insurance Agents at its silver anniversary convention in Sioux City, Sept. 4-5, will have as one of their first day speakers, W. H. Bennett, secretary National association. C. M. Cartwright, THE NATIONAL UNDERWRITER, who "looks on from the side lines," is going to tell the convention about it. The outlook for a full and highly interesting program is bright and the Sioux City local board, which is the largest in the state of Iowa, is enthusiastically boosting for the convention and has enlisted the interest and help of the chamber of commerce.

Invitations are being sent to members

of the South Dakota and Nebraska state associations. The dates of the convention were fixed on the theory that the two succeeding days, Sunday and Labor Day, could be used to advantage by agents who come from some distance. Invitations will go to all the special agents of the three surrounding states. Topics will be discussed which will refer intimately to the relations between special agents and agents. It is hoped that the convention will set a new mark for attendance and interest in the state association.

Rules Against Fleets

LINCOLN, NEB., July 29.—Casualty companies are warned by Commissioner Herdman of Nebraska that they will not be permitted to issue fleet insurance policies covering diversely-owned cars. Information has reached Mr. Herdman that the companies are permitting stockholders, partners, officers and employees to include their privately-owned automobiles in the corporation fleet coverage. The commissioner says this creates a discriminatory condition that will not be permitted to exist.

Change in Fremont Agency

H. S. Peterson has purchased the major portion of the interest of Frank Heckes in the Baldwin-Heckes company, local agency at Fremont, Neb., and becomes actively identified in the management. Mr. Peterson has lived in Fremont all his life. He attended Augustana college at Sioux Falls and while there engaged in insurance. He returned to Fremont to enter the tire and gasoline business and took over the management of it when his father was forced to retire on account of health. However, he had a leaning toward insurance and when the opportunity offered, joined hands with Frank Heckes, who has been in insurance in Fremont for 18 years, having started with the Colson & Reynolds agency.

Heavy Iowa Hail Damage

DES MOINES, IA., July 29.—Hail insurance adjusters report an unusually heavy crop damage from hail thus far this season. While hail visitation covered no very large section of country in any one storm, nevertheless, there is scarcely a county in Iowa that has escaped. Destruction of automobile tops is a common occurrence where hailstones are unusually large and are driven by fierce

wind. A terrific hail storm visited one community in which a farm bureau picnic was being held and the tops of over 100 automobiles were so severely pelted that adjusters were sent to determine the damage. In recent years farmers especially have been particular in taking out hail insurance on automobile tops.

Kansas Pond Plans Splash

Clarence E. Bleckley, most loyal gander Kansas Blue Goose, announces that a splash will be held in Wichita in September, probably the 15th. Meetings of the field clubs will be held in Wichita on the same date.

Now Nebraska National

OMAHA, July 29.—The National Cooperative Hail, Omaha mutual, has changed its name to the Nebraska National Insurance Company. It will now write fire, tornado, hail and automobile insurance on the assessment plan. Peter Richling, Creighton, Neb., is president; Henry Nast, Scribner, Neb., vice-president and P. F. Zimmer, Omaha, secretary-treasurer.

Iowa Notes

H. A. McMillan, Lone Tree, Ia., has purchased the insurance business of the late J. M. Lee.

L. C. Robinson and L. H. Davis, Hampton, Ia., have formed the Robinson & Davis insurance agency in the Franklin Apartment building. The quarters were formerly occupied by the E. E. Clock agency.

Missouri Notes

The Jefferson Mutual Fire of St. Louis is celebrating its 70th anniversary. It started business in 1861.

Nelson Many, a member of the General Insurers, St. Louis, has been elected alderman of University City, a suburb of St. Louis.

C. S. Gill, for some years engaged in the insurance and insurance adjusting business in Kansas City, Mo., died July 25.

In June the New York "Journal of Commerce" listed two stores at Joplin, Mo., which burned at a loss of \$200,000. The local agents state that the actual loss will not exceed \$36,500. The agents say that Joplin is justly proud of its low fire loss record.

The United Farmers Insurance Underwriters has been formed at Norfolk, Neb., by F. J. Hannigan, M. P. Hannigan and M. Jones, with \$25,000 capital, to act as insurance brokers.

STATES OF THE SOUTHWEST

Regional Meetings Planned

Texas Association Officials Map Programs for Several Sessions—Dates and Places Out Soon

DALLAS, July 29.—President Langham of the Texas Association of Insurance Agents, with Secretary D. G. Foreman and regional vice-presidents, is completing plans for regional meetings in August and September. Dates and places will be announced soon. Some of the meetings probably will be held while state officers and a number of leading agents are en route to the convention of the National Association of Insurance Agents at Los Angeles, and others will be staged as the party returns from the convention. One of the meetings will be at El Paso. The Texas delegation there will board a special car for Los Angeles.

To Discuss License Law

While the purpose of these meetings will be primarily to acquaint Texas agents with provisions of the new insurance laws, especially the one relating to licensing agents, other subjects of interest will be discussed.

State association officers are endeavoring to have every agent furnished with a copy of the new licensing law. Local associations are working with state officers to draw a large attendance.

Report Is Made on Dallas

National Board Engineers Comment on Some of the City's Fire Fighting Facilities

The National Board engineers in reporting on Dallas find the gross fire loss for the last five years to be \$8,440,789, the average loss per fire being \$1,212 and the average loss per capita \$7.32.

The engineers say that the water supply comes from adequate sources and is generally reliable. There are ample quantities available in most of the congested value district but poor to good elsewhere. The fire department is mainly satisfactory as to size but needs additional drills. The fire alarm system is deficient in number of boxes. Otherwise it is mainly adequate and generally reliable. In the congested value district the engineers say the potential hazard is high in the congested blocks but favorably affected by automatic sprinkler protection and considerable fire resistive construction which forms valuable local

fire barriers. The fire fighting facilities are mainly good and while serious group or block fires are probable in many parts of the district, the probability of a general conflagration is only moderate. Large individual or group fires are probable in the manufacturing, warehouse and minor mercantile district and are subject to rapid spread where frame, wood shingle dwellings surround these areas.

Results of 1930 Are Given by Oklahoma Commissioner

OKLAHOMA CITY, July 29.—Net fire and miscellaneous premiums collected in 1930 by 219 companies operating in Oklahoma amounted to \$13,477,888, compared to \$16,371,976 in 1929, or a decrease of \$2,894,088. Commissioner Read states in his 1931 report. It is noted that in 1929 many companies filed reduced rate schedules with the department, a fact to which the premium slump is partly attributed.

Fire insurance returns were: \$8,029,548 net loss paid and \$8,190,712 incurred loss, as against \$6,143,438 loss paid and \$6,253,356 incurred loss in 1929.

Net fire premiums of all the com-

panies were \$9,342,000; losses paid \$5,756,432 and incurred \$5,876,272; miscellaneous or other side lines produced \$4,135,888 net premiums, \$2,273,116 paid losses and incurred loss \$2,314,440. Paid loss ratio on fire and miscellaneous was 59 percent, or \$8,029,548 on \$13,477,888 net premiums and 60 percent on an incurred loss basis, or \$8,190,712.

Miscellaneous Insurance

Paid loss ratio on miscellaneous premiums of \$4,135,888 was 54.96 percent, or \$2,273,116, and incurred 55 percent, or \$2,314,440. Paid loss ratio on \$9,266,002 direct fire premiums was 61.82 percent, or \$5,728,494, and incurred 63.38, or \$5,873,001.

Commissioner Read pointed out that in 1929 the paid loss ratio on all classes of net fire and miscellaneous premiums of \$16,371,976 received, was 37.5 percent, and incurred loss ratio 38.1 percent.

Total loss on buildings and contents in 1930 was \$3,002,955.

Net fire premiums collected in 1930 from mutuals amounted to \$785,034 and incurred losses 55.92 percent. The year previous net fire premiums were \$808,793 and losses incurred 36 percent. Mutual casualty associations in 1930 collected \$85,248 premiums and had incurred loss of \$74,340, or 87.2 percent,

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line. He has experienced all the fatigue, the fears, the disappointments and the thrills of the real fighter. How often has he smiled when he lost a good line, stood the abuse of customers over a bad adjustment, been discouraged when he failed to collect a premium, and thoroughly disgusted when unable to get his viewpoint over to his company. There is a tie of understanding amongst men in the same line of business just as there is a feeling of loyalty between men who fought in the trenches.

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All the officers of the Kansas City Fire and Marine have spent a lifetime in the local agency business. Our agents know that we understand and appreciate their problems. That is why the Kansas City is a good company for local agents. You also will find the representation of the company a real addition to your agency facilities.

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while their 1929 premiums were \$118,045 and incurred loss only \$37,488.

Reciprocal fire exchanges collected \$218,989 premiums and paid claims of 41.172 percent, or \$90,163, whereas in 1922 the 22 fire exchanges collected \$240,315 deposits and paid \$140,855 claims, or 58.61 percent. The five casualty exchanges in 1930 collected \$205,276 deposits and paid \$170,018 claims, or 82.82 percent.

Heavy Automobile Loss

There were 189 stock fire companies, including four domestic, which wrote automobile insurance in the state, a decrease of 21 companies. On fire and theft they collected \$593,811 premiums and paid loss of 102.3 percent, or \$606,954. The commissioner ascribes this excessive ratio to "neglect of numerous companies to follow our suggestions and

separate the fire and casualty losses."

Stock fire companies writing hail on growing crops collected \$483,655 premiums and paid \$338,188 losses, incurred \$336,586, the paid loss ratio increasing to 69.92 percent from 14.1 percent in 1929.

Sixty companies, of which 53 were stock, four mutual and three reciprocals, collected \$3,967,504 workmen's compensation premiums, paid \$3,599,274 claims, indicating a loss ratio 90.72 percent, the highest on record in the state.

Urges Fire Prevention Drive

AUSTIN, TEX., July 29.—Sixty Texas cities and towns have permanent fire prevention committees. Fire Insurance Commissioner J. W. DeWeese states. He said the largest gain in insured fire losses in 1930, according to

classification, was in dwellings, boarding houses and apartments, and he said education is the only way to reduce such fires. Approximately 85 percent of home fires occurred through carelessness, he said, and he urged that all cities and towns adopt ordinances creating fire prevention boards to conduct educational campaigns against fire carelessness, and also to make surveys in order to determine if fires have been induced by over-insurance, and to eliminate this evil. Insured fire loss last year was \$17,225,417, against \$15,684,858 in 1929. Insured loss in city and town dwellings was \$7,253,447, against \$5,923,613 in 1929; loss on country dwellings was \$1,250,000, against \$977,745 in 1929, and total increase of dwelling fires was \$1,602,399.

Hail Losses Are Low

OKLAHOMA CITY, July 29.—Wind and hail losses in Oklahoma have been lighter this year than for eight or ten years. No loss of any consequence has been reported and practically no storms of a dangerous character have occurred. A record compiled by a company writing a goodly percentage of hail business in this section indicates that loss ratio in New Mexico has averaged 2 percent; Texas, a little over 7 percent, and Oklahoma about 17 percent. Although losses have been low, poor collections have offset this advantage to some extent, field men report.

Seek Adjusters' Bid

TULSA, OKLA., July 29.—The city council has voted to request the services of insurance adjusters to act as a board to inspect the city school properties in connection with an appraisal for insurance policies. Action on renewal of \$500,000 fire insurance and \$190,000 worth of tornado insurance, which must be filed next month, was deferred.

Efforts Show Results

OKLAHOMA CITY, July 29.—Through the cooperation of W. M. Murdock, secretary Oklahoma insurance board, results are being shown on the joint efforts of the Associated Fire & Casualty Underwriters of Oklahoma City and the Oklahoma Insurers, on the matter of eliminating agents who are believed to be coercing insurance, ac-

cording to Mott Keys, secretary-manager of both associations.

A new policy has been adopted by the General Motors Finance Corporation in permitting cars which they finance in Oklahoma to be insured in any company that is shown to be a legitimate concern of good standing, while its previous policy had been to demand that all cars that they financed be insured only in the General Exchange.

Mr. Keys announced that the local agency of the Transcontinental has been withdrawn from H. E. Boudinot, secretary-treasurer of the Victor Building & Loan Association of Muskogee.

Prepare for Oil Fires

DALLAS, TEX., July 29.—Formation of an oil fire fighting organization in east Texas to list fire-fighting equipment in the east Texas fields and to make it available in emergencies, is being planned by officials of the American Petroleum Institute here.

Merchants Appoints General Agent

DENVER, July 29.—Webb, Branshaw & Co., San Antonio, Tex., have been appointed Texas general agents by the Merchants Fire of Colorado. T. M. Webb of the agency is also secretary of the Security National of Galveston.

Gives Fire Truck Credit

Fire Chief Lyle of Okmulgee, Okla., gives a large measure of credit to the 300-gallon fire truck which is part of his fire department equipment for the fine record achieved by that city last year, when it showed a per capita fire loss of only 60 cents. It is stated that since the adoption of this particular piece of apparatus, about a year and a half ago, it has been the only truck required to extinguish the blaze in approximately 90 percent of the fires that have occurred in the city. Development of this type of apparatus, especially for use in the case of rural fires, where the water supply in the cistern or the well on the premises may be very limited at times, is being watched with considerable interest.

C. R. Mobley and G. K. Mobley have organized the **Ozark Insurance Agency** at Huntsville, Ark., handling all lines of insurance.

IN THE SOUTHERN STATES

Ask Fund to Fight Increase

Louisiana Commission Seeks \$10,000 "Preliminary" Appropriation to Stave Off Fire Rate Boost

NEW ORLEANS, July 29.—A \$10,000 appropriation has been asked by the Louisiana Insurance Commission from the Louisiana Rating & Fire Prevention Bureau to defend the mandamus suit brought by 214 fire companies for a general fire rate increase in the state, Fernand Mouton, acting chairman, announced. Law compels the bureau to defray the expenses.

J. T. Prowell, special commission counsel, has compiled a list of questions for the companies, seeking information as to income and disbursements other than fire loss payments. Mr. Mouton states that P. J. Stone & Co. has been

designated to make an audit of the books and records of the bureau for the commission.

"Should the court uphold the contention of the commission in refusing the increase," Mr. Mouton said, "it will mean to the people of Louisiana a saving of at least \$5,000,000 for a period of time similar to that under review. Therefore, it is the intention of the commission to leave no stone unturned in the defense of this suit." The \$10,000 is stated to be in the nature of a preliminary fund.

Committees Are Selected

President Hayes of North Carolina Agents Association Appoints Work Groups and Chairmen

ASHEVILLE, N. C., July 29.—Standing committee of the North Carolina Association of Insurance Agents have been appointed by President T. C. Hayes of Charlotte. Chairmen who will serve until the 1932 annual meeting are: National Councilor, Walker Taylor, Wilmington; Thomas C. Hayes, Charlotte, alternate; organization, W. DeR. Scott, Graham; conference, J. W. Tisdale, Asheville; legislative, Earl Johnson, Raleigh; fire prevention and conservation, W. B. Merrimon, Greensboro; public relations, L. M. Connor,

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A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

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Raleigh; bank agency and church properties, Horace Davis, Charlotte.

The organization committee takes the place of the former membership committee. The committee divided the state into sections where they live and handle committee work in their territories. The three vice-president members on the committees are J. B. Peacock, High Point, and Messrs. Peacock and Tisdale.

National Board Engineers Report on Jackson, Miss.

Engineers for the National Board report the gross fire loss in Jackson, Miss., for the past five years at \$1,226,197 with an average loss per fire of \$511, "a moderate figure," and with an average annual loss per capita of \$5.84, "a high figure."

The water supply is declared to have some unreliable features although the quantities available for engine supply are mainly sufficient. Limited amounts are available for effective hydrant streams. The fire department is seriously undermanned but mainly well equipped.

In the principal mercantile district, fire resistively weak construction makes serious individual or group fires probable. The fire fighting facilities are fairly good. The district is divided by a wide street, is narrow, heights are low, and accessibility good so that the probability of a fire extending over a considerable portion of the district is only slight.

Louisville Trust to Reopen

LOUISVILLE, KY., July 29.—The Louisville Trust Company, of which the Louisville National Fire is a subsidiary, expects to be able to reopen for business during August, after having been closed since Nov. 17. Capital stock has been reduced, agreements reached with depositors, and petitions have been placed with the courts for ending the receivership. Papers have also been filed in Frankfort with the court of appeals asking permission for the company to resume business.

Rule Books Corrected

LOUISVILLE, KY., July 29.—The Kentucky Actuarial Bureau has mailed to agents 36 pages of supplemental rules, revisions and corrections for the rule rate books, representing new supplemental rules for endorsement of insurance contracts, especially in the dwelling class, and including the new single state reporting forms in lieu of the former general coverage contracts, which has been eliminated. The pro rata feature is available in connection with the reporting forms. The changes are about the same as already adopted in a number of the western states, representing more liberalized terms.

Taxes Due Semi-Annually

JACKSON, MISS., July 29.—According to Commissioner Lowry, premium taxes on all insurance companies operating in this city are to be paid semi-annually, instead of annually hereafter. This is in accordance with a decision from the attorney-general. Notices to companies have been sent out by Commissioner Lowry, setting Aug. 15 as the dead line date, all remittances to reach him prior to that day. Otherwise the insurance companies are liable to a penalty.

Hearing September 4 on Increase

RICHMOND, VA., July 29.—Sept. 4 has been fixed as the date for a hearing before the Virginia state corporation commission on petition of the Virginia insurance rating bureau for a change in fire insurance coverage on property where boiler hazards exist. The proposed change increases rates on manufacturing plants of brick construction

where the boilers are in the main building and not properly cut off and where the plants are used for industrial power purposes. On property housing boilers used for industrial purposes other than power, the rates are left either at the present figures or slightly lowered.

Chapman Again a Member

The Louisville Board of Fire Underwriters by resolution, has made A. G. Chapman a full member of the board with all privileges, arranging to present him with a complimentary membership, in recognition of many years work for the board and for the National Association of Insurance Agents, of which he at one time was chairman of the executive committee. His former membership in the board was recently sold by N. C. Cureton, referee in bankruptcy for Mr. Chapman, and the former Chapman Insurance Agency, thus leaving him without necessary membership certificate.

Lang Heads Coast Men

GULFPORT, MISS., July 29.—Officers for the ensuing term were elected last week by the Mississippi Coast Underwriters Association, an organization which includes in its membership all fire insurance agents on the coast from Moss Point to Bay St. Louis inclusive. E. A. Lang, E. A. Lang Insurance Agency of Pass Christian, last year's vice-president, was chosen president, succeeding J. B. Sneed, Gulfport; Gilbert Kennedy, Gulfport, was elected vice-president, and Fred Ferson, Biloxi, was chosen secretary-treasurer. After the dinner and election the meeting was devoted to a round table discussion.

Clear Brokerage Situation

NEW ORLEANS, July 29.—The New Orleans Insurance Exchange has ruled that no member shall pay more than 16 percent commission or receive or retain less than 10 percent on business written, thus clearing up the brokerage situation in the city. The exchange adopted an amendment to the by-laws that no agent may qualify for membership until he shall have served as an agent for one year previous to presentation of his application. This stipulation, which formerly applied only to brokers, was accepted by the exchange and also adopted in resolution form.

Railey Makes Charges

W. M. Railey, insurance adjuster, repeated before the Louisiana Insurance Commission the charges he had filed with that body that the 214 fire companies operating in Louisiana charge exorbitant rates on buildings of fire resistive construction. He claimed the companies do not keep premium and loss experience separate under the customary classifications as approved by the National Board. Mr. Railey was prepared to argue the case, but R. M. Walmsley, commission chairman, was absent and Mr. Railey asked for postponement until the full board could meet, which was granted. Fernand Mouton, vice-chairman, presided.

Virginia Notes

B. C. Lewis, Jr., vice-president Virginia Fire & Marine, is back at the home office following a trip to Montreal. The LaSalle Fire has been licensed in Virginia with principal office at Norfolk in charge of Dugal, Etheridge, Baylor Company.

Col. E. E. Goodwyn, well known local agent and civic leader of Emporia, Va., and a former president of the Virginia Association of Insurance Agents, has been elected executive secretary of the Emporia chamber of commerce.

Fire mutuals writing elevator, flour and lumber mill risks with inspection service have filed an amendment to their filings with the Virginia state corporation commission making a slight reduction

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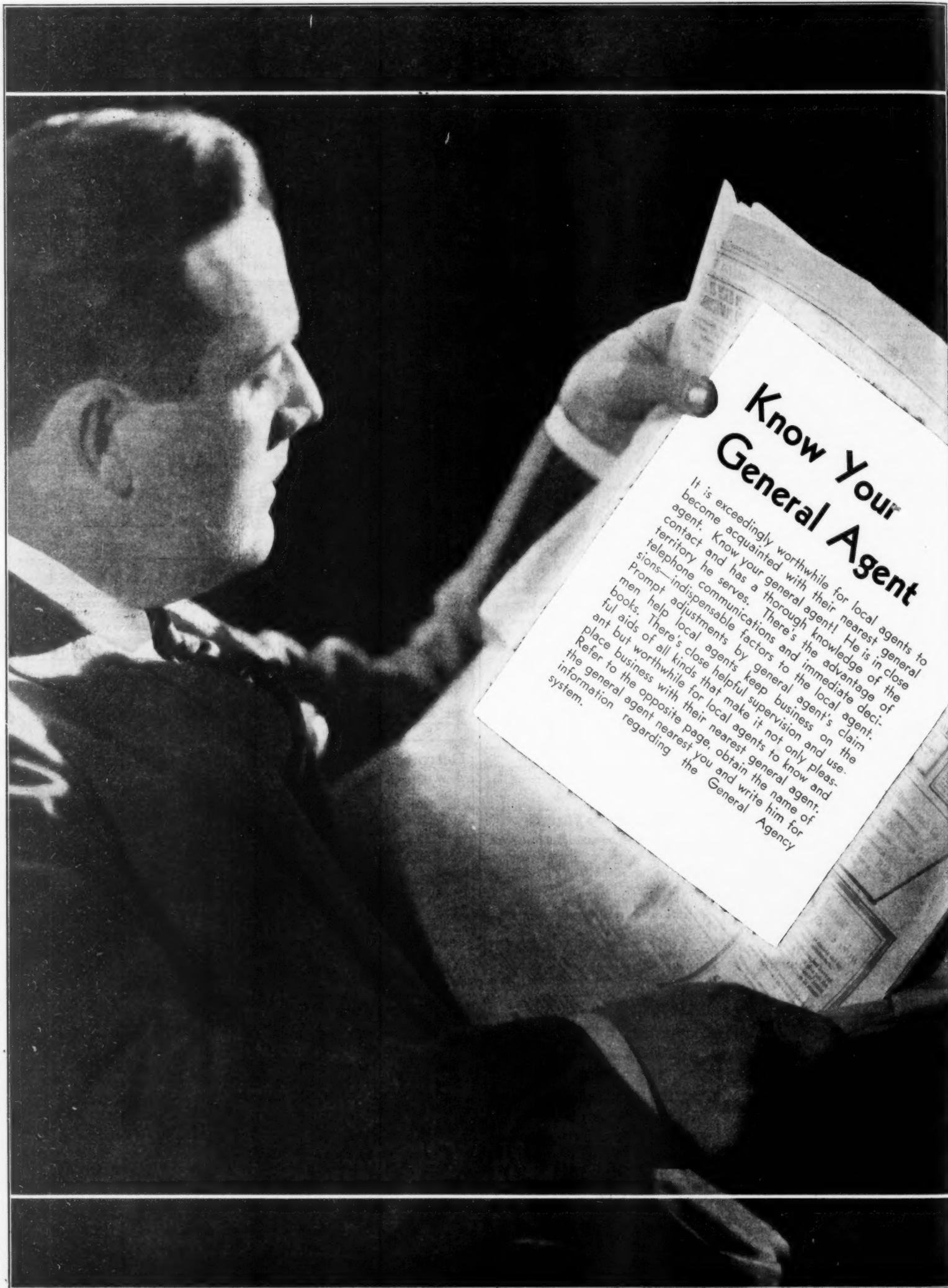
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tion in rates on these risks where anti-friction bearings are installed.

Kentucky Notes

The Kentucky Actuarial Bureau, Louisville, held its annual outing at Anchorage, Ky., this week.

L. M. Stewart of Millersburg, Ky., president of the **Hurst Home Insurance Company**, and O. E. Hurst of Lexington, secretary-treasurer, have been visiting a number of counties in the state in the interest of the company.

Pfeiffer & Pfeiffer, Louisville, a new local agency composed of E. H. and C. J. Pfeiffer, brothers, has been formed and located an office at 411-412 Martin Brown building. The partners have been connected with the Carpenter & Burba agency as solicitors.

Alabama Notes

F. W. Fleming has been chosen president of the Huntsville Board of Fire Underwriters. W. W. Davis was elected

secretary-treasurer and T. P. Gates, vice-president.

G. D. Riley, candidate for Mississippi insurance commissioner, is under medical treatment in Jackson for injuries sustained in an automobile accident near Kosciusko. He sustained a gash in his head and three broken ribs.

Louisiana Notes

The annual picnic of the **Iowa Mutual** was held at the Spring Brook Country Club, Des Moines.

The Miller & King Agency, New Orleans, has changed its name to the **Miller Insurance Agency**.

G. M. Smith, DeWitt, Ia., organizer Iowa Mutual and its secretary for 32 years, is retiring. He will be succeeded by A. L. Pascal, Jr., chief underwriter.

Sol Klotz, who in 1904, with Dr. E. T. Dugas, formed the insurance firm of Klotz & Dugas at Napoleonville, La., is dead at the age of 71.

Miss Carrie L. Neely of Lake Charles, La., formerly connected with the Wassey-Neely agency, has resigned to open her own office and engage in general insurance.

ON THE PACIFIC COAST

Washington Meeting Rally

Program for the Convention of the State Insurance Agents League at Seattle

The program for the annual convention of the Washington Insurance Agents League at the Olympic hotel, Seattle for Aug. 11-12 has been announced as follows:

Tuesday, August 11

9:30. Call to Order: C. B. White, president Insurance Exchange of Seattle. Invocation: Rev. George A. Wieland, Seattle.

Address of Welcome: R. H. Harlin, Mayor of Seattle.

Reply: Wallace W. Miller, Yakima, Wash.

President's Report: R. J. Martin, Spokane, Wash.

Report of standing committees. Address: H. O. Fishback, insurance commissioner of Washington.

Afternoon Session and Banquet

Report of By-Laws Committee: J. E. McGovern, Spokane, Wash.

Address: Percy H. Goodwin, San Diego, Cal., president National Association of Insurance Agents.

Report on Los Angeles Convention: Bruce M. Hay, Spokane, Wash.

6:30. Banquet: Toastmaster: Carl N. Homer, manager Travelers.

Principal Speaker: Wylie Hemphill, vice-president National Bank of Commerce, Seattle, Wash.

Guests: Mayor R. H. Harlin, H. O. Fishback, Percy H. Goodwin, P. W. S. Ramsden, Oakland, Cal., and Robt. L. Laing, chief of Seattle fire department.

August 12

Breakfast: A. S. Morganstern, president.

Discussion: "Premiums We Overlook."

Inland Marine: Frank V. Wright, marine superintendent Great American, Phoenix and Connecticut, San Francisco.

Allied Casualty Lines: John G. McCollister, general agent U. S. Fidelity & Guaranty Co., Seattle.

"The Cleveland Idea": E. R. Bowden, Seattle.

"The Oakland Plan": P. W. S. Ramsden, executive manager Oakland Association of Insurance Agents.

Report of Committees.

Election of officers.

12:00 Noon. To Overlake Golf Club: Lunch, golf tournament and dinner.

1:30. Excursion to Victoria, B. C., as guests of United Pacific Casualty.

Egan Heads Seattle Pond

SEATTLE, WASH., July 29.—At the annual meeting of Seattle Blue Goose, the following were elected: Harry Egan, most loyal gander; W. H. Maloy, supervisor; W. P. Cassell, custodian; H. J. Vallentyne, guardian; E. W. Lowe, keeper, and Perry Hug, wielder.

End Regional Conferences

Five Successful Meetings Held in Central and Northern California by State Association Officials

SAN FRANCISCO, July 29.—Officials of the California Association of Insurance Agents, including Eugene Battles, president; Frank Colridge, executive secretary, and P. S. W. Ramsden, vice-president, have concluded a series of five successful regional meetings in central and northern California. The first was held at Fresno, then Oakland, Sacramento, Willows and the series concluded with a two-day session at Eureka. Delegates and company officials present were guests of the Humboldt County Association at a deep-sea fishing party, followed by a banquet.

President Battles reports enthusiastic interest in the forthcoming September convention of the National Association of Insurance Agents in Los Angeles and indications are that California local associations will register members practically 100 percent.

Among subjects discussed at the regional meetings were reciprocity, the recently enacted agency qualification law and mutual and reciprocal competition.

At a conference July 27 called by Commissioner E. F. Mitchell, applications and examination forms necessary properly to administer the agency qualification law which becomes effective Aug. 14 were discussed in detail.

Among those present were Frank Colridge, executive secretary California Association of Insurance Agents; R. D. Foster and G. W. Pohlman, secretary Insurance Brokers Exchange, San Francisco; F. J. Agnew and Thomas Ryan, assistant secretaries Fireman's Fund, and F. J. Perry, assistant manager Royal. The consensus was that no conference for interpretation of the law need be held due to its clarity of construction and meaning.

San Jose Agents' Picnic

"The best picnic in the history of the association," was the consensus of those who attended the annual picnic and outing of the San Jose (Cal.) Insurance Agents Association, at Saratoga. Among the more than 60 present were several company representatives from San Francisco, including H. E. Sanford, F. J. Zinns, H. E. Klieforth, R. K. MacLeod, and Manager C. A. Bonner, of the western branch office Aetna affiliated companies, and Earl Everett, Century Indemnity. There was a horseshoe pitching contest and a ball game. W. T. Rambo, active in the state association, as umpire enforced his decisions with a

huge pistol. Company men won over agents, 13 to 12. President H. A. Shanley of the association headed the committee on arrangements.

Marine Tax in Washington

OLYMPIA, WASH., July 29.—The 1929 amendment to the Washington insurance code necessitates the taxation of "surplus line" marine business on the basis of "underwriting profit," the Washington attorney general's office has advised the insurance commissioner. Premiums arising from "surplus line" marine policies are subject to the same tax required of admitted marine companies, the opinion ruled.

It will be impossible for agents to compute the tax without the aid of the companies, but there seems to be no reason why such aid should not be given, especially when it is to the pecuniary advantage of the agents and indirectly to the companies, the opinion pointed out.

Concludes Successful Trip

C. W. Fellows, president Associated Companies, has returned to the home office after an absence of eight weeks in the east and middle west. Mr. Fellows, while in the central west, completed arrangements to take over existing business of the company in several states. He arranged for the Associated Indemnity and Associated Fire & Marine to operate in Wisconsin as soon as entry is completed. Mr. Fellows said the fleet has acquired several successful and well established agencies in strategic centers.

Plan Washington Meeting

SEATTLE, WASH., July 29.—Cy Stutfield is general chairman of the committee in charge of the annual convention of the Insurance Agents League of Washington here Aug. 11-12.

President P. H. Goodwin, National association, will speak as will P. S. W. Ramsden, Oakland, Cal., Commissioner Fishback, A. R. Sayres and J. C. McCollister of Seattle. C. B. White is chairman of the program committee and H. E. Briggs of the golf committee.

Dimling Named Manager

Henry Dimling, for a number of years assistant manager of the Union Indemnity at Los Angeles, has been appointed manager of the Los Angeles office of Swett & Crawford.

Wright Is Back Home

C. C. Wright, one of the old guard of the Fireman's Fund organization, and up to a few months ago vice-president and general agent of the Constitution Indemnity, has returned to his old haunts in San Francisco as resident vice-president of the American Indemnity and American Fire & Marine. Mr. Wright for several years was assistant secretary of the Fireman's Fund.

Chiefs Meet in San Diego

The annual convention of the Pacific Coast Association of Fire Chiefs, to have been held in Honolulu, has been set for Sept. 4-8 at San Diego, Cal. Jay W. Stevens, chief fire prevention bureau National Board, announces. The Honolulu trip was postponed until next year, looking toward better economic conditions when cities will be readier to pay chiefs' expenses for such a trip.

Utah in Need of Water

SALT LAKE, July 29.—Utah is experiencing one of the driest and hottest summers for many years. In view of the fact that rainfall has been so limited up to this time and the amount of winter storage was so far below normal many cities in the state have found it necessary to add to their present water system in order to keep up adequate pressure for protection. Heber City, located in the mountain region about 40

Banking Chain Withdrawn From Insurance Field

OGDEN, UTAH, July 29.—

The increasing tendency of financial institutions of the better sort to confine their activities within the "true limits of the banking business" is again exemplified by the announced intention of the First Securities Corporation, a holding company with 28 banks in Utah, Idaho and Wyoming, to discontinue operating local insurance agencies and retire from the insurance business completely. This action was brought about through the concentrated efforts of the Ogden Fire Underwriters Association with the cooperation of the National Association of Insurance Agents.

miles southeast of Salt Lake City, has installed a pumping system in order to maintain necessary pressure and to provide additional water for irrigation. Salt Lake City has just recently completed pipe lines extending from artesian wells located approximately 15 miles south of the city at an expense of over \$200,000. This new source of water is now entering the city mains. Ogden City, located 40 miles north of Salt Lake City, has negotiations under way for 700,000 gallons extra per day.

SPECIAL AGENTS ASK REPEAL OF AGENCY LIMITATION RULE

In the hope of equalizing the competition between non-board and board companies in the State of Washington, the Special Agents Association of the Northwest has petitioned the Pacific Board, asking that the rule allowing only two agents to a company in any city or town in the territory be abolished. It is said that many non-board companies have as many as 20 agents representing them in many towns in the territory. No action has been taken on the petition by the board.

Saves \$500,000 Annually

LOS ANGELES, July 29.—At a meeting of the Los Angeles fire commission Fire Chief Scott stated that the salvage division reduces insurance premiums approximately 5 percent and saves insurance buyers in Los Angeles \$500,000 annually.

Coast Notes

F. H. Farr, assistant manager Royal group at San Francisco, is on a two weeks' vacation trip to Alaska.

E. L. Bonstin, vice-president Pacific National Fire, is on a two weeks' vacation.

Wallace Kelly, Pacific Coast manager Yorkshire, has been visiting the key cities of the Pacific northwest.

J. A. Carlson, assistant secretary Pacific Coast department America Fore, and J. A. Gallagher, San Francisco, general inspector North British & Mercantile, have completed a business trip to Montana.

Hawkins & Roberts have purchased the Emery Insurance Agency of Eugene, Ore., from C. M. Emery, who has conducted the agency for the past 12 years. Mr. Emery will become associated with the Hawkins & Roberts agency.

Miss Nattie Macrum has been appointed assistant librarian of the Fire Underwriters Association of the Pacific at San Francisco, where she will be assistant to Mrs. J. P. Moore. Miss Macrum was formerly librarian of the Southern Pacific library at San Francisco and is a graduate of Stanford University.

H. M. Frank, Phoenix, Ariz., manager Associated Underwriters Corporation, general agents in Arizona and New Mexico for the Pacific American Fire, was in Denver last week.



Is Insurance Philanthropy?

Philanthropy is defined as a desire or effort to mitigate social evils and increase and multiply social comforts, as based on broad and sound views of man's nature and condition. Insurance meets these requirements generally, but philanthropy also infers free giving and here the two institutions differ.

1. Insurance is not free giving. The individual before he may receive the benefits of insurance, must pay a premium (contribution to a general fund for the mitigation of social evils).

2. Insurance assumes an aggregate income from all who are or may be benefited, equivalent to the sums paid out (losses), plus an additional sum to cover expenses and profit.

3. The benefits from insurance come from within the group providing them, whereas in the case of philanthropy, those benefited contribute absolutely nothing. One is self-supporting; the other might tend to encourage dependence and helplessness.

Insurance is not philanthropy although some of its effects may be analogous thereto.

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IN THE MOUNTAIN FIELD

Helps "Home Market" Move

Rocky Mountain Fire Underwriters As-
sociation Joins Drive to Keep Denver
Business for Denver Agents

DENVER, July 29.—The office of the Rocky Mountain Fire Underwriters association is assisting in the "Buy-It-in-This-Market" campaign, sponsored by the Denver chamber of commerce. This campaign, which has been directed on behalf of the Denver manufacturers and wholesalers, is now being pushed in favor of the insurance interests of the city. The chamber has promised its aid to Denver insurance firms and field men in recovering that large volume of premiums sent by merchants and manufacturers here to eastern brokers, mutuals and reciprocals.

In a letter to Denver insurance offices, Frederic Williams, secretary of the fire underwriters association, has requested them to furnish names of individuals and firms that buy all or part of their insurance outside of Denver, leaving no commission distributions here. "As soon as all the lists from the Denver insurance offices have been received," he explained, "they will be analyzed and duplications disposed of. Then the committee in conjunction with the chamber of commerce will discuss succeeding steps."

Has Biggest Six Months

DENVER, July 29.—During the first half of 1931, Cobb, Miller & Stebbins, general agents, transacted more business than in any previous six months in their history. "We are employing more people, occupy more space and have a larger pay roll than at any previous time," the agency states in its monthly service bulletin. "We have not reduced any salaries. We have had our problems, and, of course, the business de-

pression has affected us, for had there been no depression we should no doubt have transacted a greater volume. Diversification has materially contributed to the results obtained. Mutual confidence, respect and team-work between our organization and our local agents is our antidote for depression."

Cochrane Issues Edict

DENVER, July 29.—Use of an old form pertaining to limitation of liability of insurance companies on paintings, objects of art and the like incorporated in the special dwelling house form has called forth a ruling by Commissioner Jackson Cochrane that it be eliminated and a new edition of Form 49 be issued. In a letter to all fire companies operating in Colorado he explained his ruling was pursuant to an agreement in 1924 between the Mountain States Inspection Bureau and the insurance department. He notified the companies that wording of the new form will obtain in any claim that may arise under the old form.

Wilcox Joins Corroon & Reynolds

R. D. Wilcox, for the past 10 years special agent for the Great American, has joined the field staff of Corroon & Reynolds, as field supervisor for their companies in the Rocky Mountain territory. He has established headquarters at Denver. Prior to going into the field in 1921 Mr. Wilcox was trained at the home office of the Great American.

Gardner Takes Columbus Mutual

The Gardner General Agency, Denver, has entered the life field and has been appointed general agent of the Columbus Mutual Life for Colorado and Wyoming. E. H. Smith will be manager of the life department.

The Stough-Vincent Agency Company, Denver, will hold its annual picnic Aug. 1.

EASTERN STATES ACTIVITIES

Buffalo Association Meeting

Many Prominent New York Insurance
Men Attend 50th Anniversary Gath-
ering—Honor Veterans

More than 200 prominent eastern fire insurance men attended the 50th anniversary of the Buffalo Association of Fire Underwriters at Buffalo, N. Y. Jay Rose, association president, was toastmaster. Among the speakers were W. H. Bennett, secretary National Association of Insurance Agents; H. R. Manchester, president Cleveland Board; T. L. Rogers, president, and C. F. Miller, secretary-treasurer New York State Association of Local Agents, and S. B. Botsford, executive vice-president Buffalo chamber of commerce.

Two guests were honored for long service to the Buffalo association, E. S. Hawley, only surviving charter member, and E. H. Sigison, manager Buffalo division, New York Fire Insurance Rating Organization for 30 years. Mr. Hawley was presented a handsome silver loving cup by the Buffalo association.

Among guests were W. D. Lucas, president Genesee Insurance Society; W. G. Dickenson, president Lockport Board of Fire & Casualty Underwriters; E. T. Ellis, president Niagara Falls Insurance Agents Club; R. W. Johnson, president Jamestown Fire & Casualty Underwriters Association; T. A. Sharpe, president Rochester Board; L. R. Saunders, executive secretary New York Insurance Federation; Lawrence Daw, manager Syracuse Fire Rating Organ-

ization; William Hecox, Binghamton, past president New York State association.

Report Is Made on Elmira

National Board Engineers Make Some
Recommendations for Improving the
Fire Fighting Machinery.

The National Board engineers report that they have put before the Elmira, N. Y., city authorities, local agents and business organizations the urgent need of providing an additional pumper for station 2, a city service ladder truck for either station 2 or 3, at least 16 additional firemen properly manned, being new and very important companies, more rigid discipline and better training in fire methods in the fire department. It was also pointed out that there are unreliable features in the fire alarm system. There is need for better maintenance, additional fire alarm boxes, particularly in and near the principal mercantile district and the more general use of the fire alarm telegraph system. To these, the engineers declare, should be added a well devised, cooperative plan of preventing incendiary fires.

Valley Association Starts
in Allegheny County, Pa.

The Valley Association of Insurance Agents including Tarentum and Brackenridge, Pa., and immediate vicinities in the northern part of Allegheny county,

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Wide-awake agents, seeking a good connection are invited to address the executive office at Indianapolis.

Pa., has been organized. Frank D. Moses, manager of the Pennsylvania Association of Insurance Agents, assisted in organizing the board. Its membership is co-extensive with the Pennsylvania association. G. H. Lindquist of Loynd & Lindquist, Tarentum, is president; P. C. Reinhr of J. Reinhr & Son of Tarentum is vice-president, and M. H. Hazlatt of Tarentum is secretary and treasurer.

New Jersey Agencies Incorporate

TRENTON, N. J., July 29.—Three New Jersey insurance agencies have incorporated. They are Conrad & Co., Perth Amboy, incorporated by Harry Conrad, H. D. Conrad and R. F. Conrad; the Squire Corporation of Caldwell, by P. D. Elliott, J. A. Carragher and D. M. S. Royal, and the Charles J. Harrold Insurance Agency, Atlantic City, by C. J. Harrold, C. D. Harrold and A. M. Harrold.

Form Jersey City Agency

JERSEY CITY, July 29.—The newly organized James A. Mets Insurance Agency has been appointed New Jersey state agents for the Dubuque Fire & Marine with headquarters in Jersey City. The members of the new agency are J. A. Mets, vice-president; G. W. Bloodgood, secretary, and F. L. Bloodgood, treasurer of the Pavonia Fire of Jersey City.

Their official positions with the Pavonia will not in any way interfere with the operation of the new insurance agency, which will be operated independently of the Pavonia's business. All of the three members of the agency are well known in the insurance and political world of New Jersey.

Nash Leaves \$70,000

SYRACUSE, N. Y., July 29.—The probated will of J. J. Nash, for 40 years engaged in the insurance business in this city, disposes of approximately \$70,000 in specific bequests. The business and insurance companies' stocks go to his son, J. J. Nash, Jr.

New England News

Heavy Tobacco Loss Suffered

One Stock, Two Mutuals, Have Most of Liability in Path of Connecticut-Massachusetts Storm

NEW YORK, July 29.—Tobacco growers in certain sections of northeastern Connecticut and in several towns in southern Massachusetts suffered an aggregate loss conservatively estimated at \$1,000,000 as a result of a hail storm that swept the territory July 22. One prominent stock fire company and two mutuals are credited with having considerable insurance involved upon a number of the damaged properties. It is assumed that many of the small farmers are without insurance of any kind, and to them the loss will be serious. At one time a number of stock companies wrote hail coverage upon the tobacco farms throughout the Connecticut river valley, but one after another quit the business because of unsatisfactory loss experience; the records of one office disclosing that during the nine years prior to 1931, it managed to eke out a small profit on the class in but two years, 1923 and 1925, the other years invariably turning in a loss.

Have you ever stopped to consider that you usually do not step into anything unless some one else has tried it before you? **The Denn Schedule Course** has been tried often and not found wanting. Write to The National Underwriter Company for information about it.

Motor Insurance Events

New Company Now Starting

Central States Motorists Has Gotten Its Department Heads Ready for Immediate Action

The Central States Motorists of Chicago, which was recently licensed to be closely affiliated with the Motorists Association of Illinois, will have its underwriting operations in charge of Charles Rabenaugh, formerly with the Lumbermen's Mutual Casualty. H. A. Blair, claims attorney, occupied a similar position in the Chicago office of the American Automobile and also served as claims attorney for the Yellow Cab Company and the Inter-Insurance Exchange of the Illinois Automobile Club. F. A. Campbell, chief claims adjuster, was for eight years in charge of the claims department of the Associated General Reciprocal, and Hugo Meyer, in charge of accounting, was formerly auditor of the National Retailers Mutual of Chicago. It will write full cover automobile.

Great Growth Is Shown in the Automobile Premiums

Cravens, Dargan & Co., of Houston, show the growth of automobile insurance. They say:

"The first policy to insure an automobile was written on June 2, 1902. The amount of premium is not known to us, but the policy was for \$1,000. Since that policy was written the automobile premiums have grown until in 1930 fire and theft net premiums were \$136,994."

Since 1899

The Northwestern Fire & Marine Insurance Company has been giving a complete insurance service of practical value to agents.

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NORTHWESTERN
Fire & Marine Insurance Company

John H. Griffin, President
Minneapolis, Minnesota

230; automobile collision, \$17,791,868; automobile liability, \$211,489,945; automobile property damage, \$82,328,124; full coverage on automobiles, \$75,025,845. That makes a grand total of \$523,630,012, which is an average of about \$20 per car for the 26,000,000 cars now in operation in the United States. When it is considered that the average premium for all covers on an automobile would be about \$60 per car, it will be seen that not more than one-third of the automobile insurance is written in the United States which could be written. There is still plenty of opportunity for live agents to make money out of writing automobile insurance."

Replacement Problem in Louisville

LOUISVILLE, KY., July 29.—Louisville automobile adjusters have been discussing a new program of some of the new car dealers in Louisville, who have installed regulations under which they no longer sell replacement parts for automobiles at a discount to the automobile repair men. This plan of course was adopted to force owners of cars to patronize dealer shops. How-

ever, much of the auto repair work for the companies is done in specialty auto repair shops, where if the operators lose the parts discounts, they would be forced to charge a higher rate for repairs. There has been some talk of their having such parts shipped in from outside, or establishing a cooperative motor parts depot, but the latter takes too much money.

Denver Recoveries 100 Percent

DENVER, July 29.—There was 100 percent recovery on stolen automobiles in Denver and Colorado Springs for the quarter ending May 31, according to the Denver offices of the Automobile Protective & Information Bureau.

Moline Business Taken Over

The Fort Armstrong Automobile Underwriters of Moline, Ill., which was taken over recently by the Iroquois Auto Insurance Underwriters, of Danville, Ill., is transferring its agents and plant. The Fort Armstrong will be liquidated. J. W. Lovellette was president and general manager of the Ft. Armstrong.

MARINE INSURANCE NEWS

Confinement Warranty Issue

Washington Supreme Court Finds No Unnecessary Deviation by Home of New York Assured

Judgment against the Home of New York has been rendered by the Washington supreme court in connection with a marine policy, under which the Home denied liability on the ground of breach of confinement warranties. The case was Nearhoff vs. Home of New York & ano.

An endorsement to the marine policy read: "Warranted confined to a regular established automobile run on Puget Sound between Lummi and Orcas islands. Permission granted, however, for the vessel insured to make occasional trip to Seattle or other approved ports on Puget Sound for repairs."

The Home contended that the taking of the vessel to Dead Water Slough in the Everett port constituted a breach of the policy, in that it was an unnecessary deviation from the voyage provided in the policy. The supreme court held that this contention is without merit. The court quoted Rem. Comp. Stat., Sec. 7183: "Deviation is a departure from the course of the voyage insured . . . or an unreasonable delay in pursuing the voyage, or the commencement of an entirely different voyage."

When this vessel went into the port of Everett for repairs, according to the court, it was not engaged in a voyage, as that word is understood in connection with the term deviation and departure.

The question is, not whether there was deviation, but whether the insured was engaged in making repairs. Of this there was entirely enough evidence to satisfy the jury. That the Everett port was an approved one was testified by a number of disinterested persons.

Rolph, Landis & Ellis Are Appointed General Agents

Rolph, Landis & Ellis of San Francisco announce its appointment as general agent in California for the First American Fire for marine and inland marine. V. H. Winkel, manager East Bay territory for the North America, has resigned his position, and will accept the post as manager of the firm's new department. Establishment of a marine department represents another milestone in the progress of Rolph, Landis & Ellis, which recently opened new offices at 345 Sansome street.

National's Inland Primer

The National Fire of Hartford has prepared an inland marine primer of value to those who are confused by the multiplicity of forms in this branch of the business. Handsomely bound, the primer contains specimen policies of all inland marine forms which the National offers. Preceding each specimen is a leaf, giving in condensed form what the policy is designed for, who are prospects for the particular policy, coverage provided, exclusions, limit of liability, requirements and underwriting restrictions, rates and adjustment of claims.

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Company

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RESERVE FOR ALL OTHER LIABILITIES

23,250,518.69

NET SURPLUS

16,383,804.96

ASSETS

55,934,323.65

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$32,683,804.96

LOSSES PAID POLICY HOLDERS

\$222,940,109.32

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310 South Michigan Avenue, CHICAGO, ILL.
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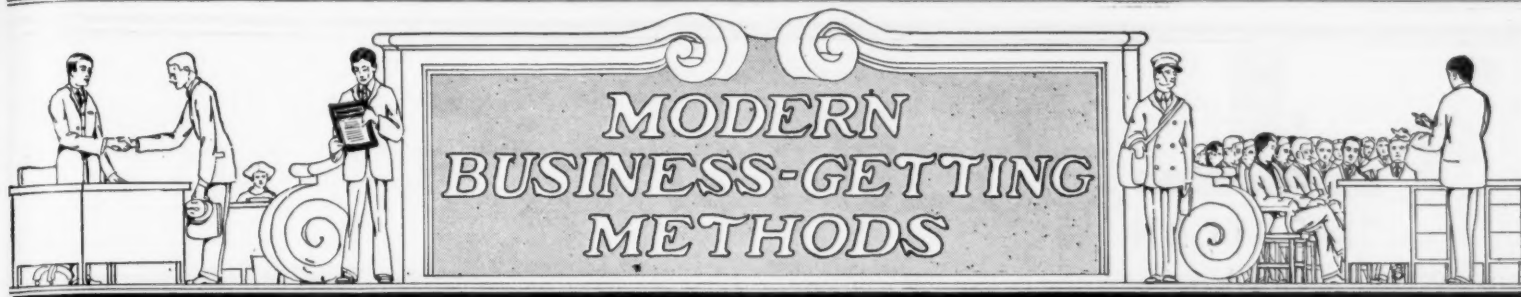
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Points on Deferred Payment or Merchandise Floater

The Phoenix of Hartford in its house organ gives some suggestions as to deferred payment or merchandise floater insurance: as follows:

This insurance may be written as follows:

- 1—Covering vendor (seller) and vendee (buyer) on a certificate basis.
- 2—Covering vendor and vendee on a monthly reporting basis.
- 3—Covering vendor only on a monthly reporting basis.
- 4—Covering vendor's interest, modified. See below.

* * *

In any of the first three cases, loss replacements may be upon either a retail or a wholesale basis with due allowance in rate. Under Plan No. 3 partial losses may be handled as follows:

- (a) Partial losses prorated according to the respective interests of the vendor and vendee.
- (b) All partial losses paid up to the amount of the vendor's interest.
- (c) No partial losses paid unless or until the vendee's interest (paid up balance), is exhausted; and then for the excess only. Varying rates apply.

* * *

Under No. 4, the single interest modified form, coverage provides for the vendee's interest (paid up balance) to be deducted from each and every loss. No loss will be paid unless or until the vendor is unable to collect from the vendee, in which case subrogation will be taken by the company. This form also provides for replacements at wholesale price of merchandise.

* * *

Sales Points. Where both interests are covered, the vendor has the alternative of stressing the advertising value of protecting, at his own cost, not only his own interest but also that of his customers; or the customers may be charged for the insurance either by the use of certificates or by including the insurance premium in with the seller's interest and handling charges.

Many firms selling on the deferred payment plan are desirous of increasing their credit facilities. Usually property sold on time will represent a much larger value than stock on hand. Such property, safeguarded by conditional sales agreements, by insurance with a loss payable clause to the banker and by a notice of cancellation clause, should appeal to the banker as excellent collateral for loans. The insurance also protects against catastrophe loss possibilities.

* * *

Ordinarily, fire policies on household furniture do not cover the interest of the seller on goods under chattel mortgage or conditional sales agreement: furthermore a chattel mortgage form is worthless in case the goods are destroyed.

Inasmuch as each of the inland marine forms described may be rated in any one of several ways, a sale can often be made by using the most appropriate of the following premium computation methods:

Premiums can be based upon either monthly or annual unpaid balances;

or outstanding value; or sales.

Premiums can be made payable monthly, with or without deposit; or can be paid on an annual adjustment basis; or upon a flat annual basis.

* * *

In the average case, if the cost of a double interest policy is \$100 premium, a single interest policy will average about \$40, and a modified single interest

policy one-quarter to one-third of this latter amount, or \$10 to \$15. The vendor's interest, modified, gives to the vendor as much actual protection, but no advertising value whatever, and the cost is stripped to the lowest possible figure. Premiums on this basis are usually handled for a flat annual, or an annual premium adjustment, rather than monthly reporting.

A large volume of deferred payment or merchandise floater insurance, can be secured through intelligent cooperation with agent and assured. It is a fertile field for cultivation in all sections of the country.

Give Plan Whereby Agent May Start to Canvass for Inland Marine Lines

Much has been written and spoken about the rich harvest to be gained from aggressive solicitation of inland marine forms but few suggestions have been made as to how agents, who have not cultivated this field, might get started on this aggressive solicitation.

The question of how to begin was asked of a highly successful inland marine manager, who spends little time at his desk but most in the field accompanying producers in interviews with prospects, advising them of a multiplicity of new forms, and helping them in a search for prospects. Six months ago he visited an agency in a city of 300,000, which had no inland marine business on its books. Since that time the agency has produced \$12,000 in income from inland marine lines, which has offset almost to the dollar the agency's reduction in fire income.

"Begin with the customers on your books," this manager replied. "Suppose

the first customer on your list is a clothing merchant. Make up a line card for him. Analyze his insurance portfolio and you will find that he is a prospect for incoming express, parcel post, jewelry, fur coat, personal effects, and aircraft property damage.

Gain Ear of Prospect By Economy Argument

"You can't sell him all of these forms at once. But you will gain his attention if, instead of asking the merchant to give you a larger share of his fire business, you tell him how he can save money on his express charges. Over a period of months you should sell him all the inland marine forms which I have listed and which he needs.

"Perhaps the next customer on your list is a household furniture dealer. He also is a prospect for incoming freight and express, as well as deferred payments, delivery trucks contents and be-

cause his stock of goods is extremely perishable, he is a potential buyer of aircraft property damage.

"Your third customer on the list may be a contractor. Probably you have sold him a completion bond. Because of his liability to labor trouble he should insure his equipment against civil commotion and malicious damage. Tell the contractor about the installation policy which will cover whatever instrument is to be installed from the time it leaves his premises until it is in place."

After Few Sales Ball Will Start Rolling

By soliciting a few customers, this manager pointed out that the agent will gain an acquaintance with some of the many forms of inland marine contracts and new prospects will multiply. In the city in which this manager stimulated the \$12,000 premiums in six months the agent was introduced to a few propositions and later sought others. His practice was to concentrate on one form, first on fur risks and canvassed his prospects for this policy. After combing the town rather thoroughly on this class, he proceeded to concentrate on another.

This manager believes in informing his agents each week of new and specific forms which may suggest similar risks in other towns.

Manufacturers' Patterns Should Be Insured

For instance, his company has written a number of contracts protecting machine shops and other operators against injury to patterns and molds while they are out of the manufacturer's possession. If the pattern is damaged while in the possession of foundries under contract to provide the manufacturer with castings from the mold, the manufacturer is the loser.

Still another form recently issued was for a merry-go-round, which is insured against transportation, fire and tornado and on location. It is insured under a schedule property floater. As an example of how some agents are unacquainted with inland marine lines, the producer who asked for a quotation on this merry-go-round wanted it insured against theft. If the merry-go-round were so small that it could be stolen, probably no company would take it, for there undoubtedly would be a number of claims for attempted theft.

Agent Can Build an Income on Parcel Post Insurance

Cravens, Dargan & Co., general agents at Houston, in speaking of parcel post insurance says:

"Contrary to the general belief, parcel post insurance over a period of a year, will probably net at least twice the amount of commissions as a complimentary \$5,000 or \$10,000 fire line on stock at a comparatively low rate. Registered mail policies for banks are steady revenue producers, an average city bank's premiums running from \$15 to \$25 per month, year in and year out. Parcel post premiums totalling as much \$100 a month are usual, and the number which runs from \$25 to \$50 per month is astonishingly large. All that is necessary to sell a parcel post policy is to explain to the prospect the simplicity of handling, the reduced red tape and, of course, the saving in cost over government insurance."

Digest of Court Decisions

Public Official Bond.—Billings, Mont., vs. Massachusetts Bonding, Montana Supreme Court. Action was brought by the city against Clara N. Hunt, its former treasurer, and her bond, to recover the amount of deposit in Yegen Bros. Bank, lost through failure of the institution. The treasurer had on deposit city funds of \$51,011.44. There were depository bonds of \$27,500, which had been duly approved by the city council. At the time of the closing of the bank there were no other depository bonds. The \$27,500 was paid and the balance \$23,511.44 was sued for. The court held that the legislature has vested in the city council discretion to determine and prescribe such security as it "shall deem sufficient" without regard to the amount of deposits made. It was its duty if it deemed the bond on file insufficient to protect the full amount of the deposit, to prescribe what further bonds should be furnished and so notify the treasurer, or it might with propriety have directed the treasurer not to deposit to exceed a certain amount until further security was prescribed and approved. It did neither. The bond prescribed was in effect and covered all deposits made. The law has been complied with. The court concludes that the council deemed the bonds furnished and approved "fully sufficient and necessary to insure the safety and prompt payment of all such deposits."

* * * * *

Sole ownership requirement—waiver. S. and wife conveyed a certain tract of land to Mary Hamlet and husband, S. retaining a lien for the purchase price. The deed was delivered but unrecorded. Subsequently, the local agent issued to S. a policy wherein Mary Hamlet was insured as to the improvements on the property. A clause was inserted to the effect that an amount be payable to S., as his interest shall appear. The improvements in question were destroyed by fire, and S. claims part of the insurance money. Held that Mary Hamlet had an insurable interest in the property and that the clause in the policy was sufficient to notify the insurance company of the claim of S., and the issuance of the policy to S. within inquiry as to insured's actual interest in the property amount to a waiver of the "sole ownership" requirement. Hamlet et al vs. American Eagle Fire, supreme court of appeals, West Virginia.

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CASUALTY AND SURETY SECTION

Page Thirty-one

Lesson in Excess Fidelity Losses

Hartford Accident Reports Great Increase in 1930 Over 1929

NEED DISHONESTY COVER

J. Schmidt, Jr., Sees Big Field for Commercial Blanket Bonds—Duty to Clients

Demonstration of the need for dishonesty insurance in proper form and in adequate amount is found in a comparative chart published in the Hartford "Agent," showing losses which Hartford policyholders have had to shoulder because they purchased fidelity bonds for inadequate amounts.

The tabulation does not take into account the uninsured losses nor excess dishonesty losses reported to other companies.

In 1929, the total losses involved where Hartford Accident bonds were inadequate were \$909,322. The amount of bond available for such losses was \$234,225, causing employers insured with Hartford Accident in 1929 to shoulder \$675,097 in losses.

In 1930, the total losses where Hartford bonds were involved to an insufficient extent were \$2,091,607. Amount of bonds available for such losses was \$558,433, leaving an excess of \$1,533,174 to be borne by employers. This is an increase in excess loss to employers of \$858,077 in 1930 over 1929.

Lessons From Figures

"Employers," J. Schmidt, Jr., superintendent of the fidelity department, Hartford Accident, comments on these figures, "quite generally have recognized the need for a proper amount of modern dishonesty insurance but, notwithstanding this, the amount of excess losses during 1930 again outstripped by a staggering sum the amount of dishonesty insurance available and this occurred in the year when employers could ill afford losses of this or any other kind. The year 1930 will go down in history of dishonesty insurance as the year of paradoxes when times were not in mesh.

"Many executives," he continued, "are cognizant of the fact that dishonesty losses are excessive and have taken the necessary precautions to protect their interests, yet excess losses reported to all bonding companies over a long period of years have continued to be very heavy and far in excess of bond penalty. This, we believe, is principally chargeable to the fact that executives, representing their employers, have had no alternative but to attempt to guess, first, who should be bonded; and second, for how much.

"It is evident that each one of these excess losses represents the best judgment of the employer."

(CONTINUED ON PAGE 39)

Ohio Attorney-General to Reconsider Debated Ruling

COURT CONTEST PREDICTED

Big Turnout of Agents and Company Men at Columbus Hearing Over Auto Exchange Case

Following a hearing in his office in the statehouse in Columbus last Friday, Gilbert Bettman, Ohio attorney-general, announced that he would withdraw for reconsideration the opinion previously rendered to Superintendent Warner in regard to the powers of the department over agents certified to the superintendent by domestic casualty companies.

The opinion, rendered in connection with the case of the Cincinnati Automobile Club Insurance Exchange, which sought to be designated as Cincinnati agent of the Motorists Mutual of Columbus, was to the effect that domestic casualty companies need merely certify names of their agents to the superintendent, and that no license is necessary.

Draws Large Attendance

Nearly a score of lawyers and insurance men attended the hearing and Attorney-General Bettman was given a picture of Ohio insurance business, such as, perhaps, he had never witnessed before. W. E. Benoy, appealing for the automobile club and Motorists Mutual, opposed reconsideration on the ground that a ruling had already been handed down, the insurance company has certified the Cincinnati exchange and men are already at work. To change this ruling, he said, would cause much confusion and inconvenience both to the company and club.

In asking for reconsideration, attorneys and insurance men declared the ruling if it stands would be unfair to foreign casualty companies operating in Ohio and would cause chaos in the casualty insurance there. It was stated that under the ruling any automobile carrier could appoint every policyholder as agent and pay him a commission, this amounting virtually to a rebate.

That court action may result was revealed by statements that if the insurance department refuses to let the Cincinnati club write insurance the club could mandamus the department, while on the other hand if an agent should write insurance without a license he could be arrested at the instance of other insurance organizations and charged with soliciting insurance without a license.

It was contended by those who opposed the previous ruling that the superintendent would have no authority over a domestic casualty company agent and the department in all probability could not or would not bar the agent from writing insurance, in case of wrongdoing, until he had been convicted in the courts.

Among other points brought out were that several previous superintendents ruled against the mere certifying of names of domestic casualty company agents.

The question also was raised whether the section of the law exempting agents of domestic casualty companies from the provisions of the agents' qualifica-

Consolidated on General Agency Basis in Two States

CHANGE IN MISSOURI, IOWA

George Jackson Arranges for Discontinuance of Branch Offices in Kansas City, Des Moines

NEW YORK, July 29.—George Jackson, who succeeds E. A. Luther, recently resigned as agency superintendent of the Consolidated Indemnity, is home from a trip to the Pacific Coast in the course of which he rearranged the company's representation in that territory, traveling thence to the central west, to deal with certain agency problems there.

The branch offices heretofore maintained at Des Moines and Kansas City have been discontinued, control of Missouri being apportioned among the 10 general agencies already in the state, all of which will report to the Chicago branch, of which C. M. Randall is manager.

A general agency appointment for Des Moines is under consideration and will likely be decided upon within the next ten days.

Mr. Luther, it is understood, will remain in the casualty business in the central west, though in what connection is not known here. Mr. Jackson, his successor as agency superintendent, has been with the Consolidated since its launching in 1928, prior to which time he was associated with the Royal Indemnity.

New York Department Is Receiving Casualty Replies

NEW YORK, July 29.—Thus far about 60 percent of the casualty companies licensed in this state have furnished the insurance department with the information called for in its blank issued the forepart of the month, calling for particulars as to agency commission arrangements, the purpose being to check up with the rules of the acquisition cost conference. Reviewing the returns filed already, discrepancies have been discovered among some of them and explanations have been asked for. The failure of certain offices to supply complete information is not attributed to any unwillingness so to do, but rather to the absence from town of officials particularly versed with agency arrangements.

The exemption act had not been repealed. The exemption act was filed with the secretary of state by the governor four days before he filed the general license law.

Following the conference, the executive committee of the Insurance Protective League, composed of representatives of agents, stock and mutual casualty companies, field men, etc., discussed plans for raising funds to carry on the fight in court. Companies and insurance men generally will be asked to contribute to the fund. Attorneys representing the league, together with others interested, are expected to file with the attorney-general within a week a memorandum stating their position.

New Avenue for Premiums Opens

Opportunity to Write Large Volume of Quasi-criminal Bail Bonds Offered in Chicago

PROPOSAL IS CONSIDERED

Assistant State's Attorney Makes Overtures to Surety Men on Opening Municipal Courts to Companies

A proposal, to open the lists in Chicago municipal court to surety companies and permit them to write misdemeanor bonds, with the possibility of a very large volume of premiums, was made to the Surety Association of Illinois at a luncheon Tuesday by A. C. De Witt, assistant state's attorney. Heretofore under rule 25 of the court only cash bonds of \$25 to \$100 and real estate bonds up to \$400 have been accepted, and none from surety companies.

The matter was considered by municipal judges recently and Mr. DeWitt indicated they are in favor of the move. He suggested forming a pool of companies to write this business and pointed out that the 300,000 cases last year, involving arrest of persons charged with violation of city ordinances and misdemeanors, offers a large field for corporate suretyship.

Before Executive Committee

The proposal was referred to the executive committee of the association on suggestion of President Gordon C. Fox.

Members were much interested. One suggested informally that a workable plan might be to form a management committee with president and other officers, determining percentage participation of each company and effecting this through an agreement for each company to reinsure bonds of the other companies in the pool to that extent. Policies of the various companies in the pool would be used so that each would receive its share of publicity.

Mr. De Witt said that misdemeanor bonds should prove highly profitable, as many cases involve arrest of reputable citizens for petty offenses and their discharge in court within 24 or 48 hours. Hazard and exposure thus are slight, he said.

Rate Matter Passed Up

He suggested a rate of \$5 to \$7.50 for a \$25 to \$100 bond, but the association members urged the rate be not taken up at this time. The manual rate for municipal bail bonds elsewhere in Illinois where surety companies are permitted to write them is \$20 per \$1,000.

Under the new Illinois bail bond law, fee or premium is limited to 10 percent for the first \$100 of a bond and 5 percent on each additional \$100. The man-

(CONTINUED ON PAGE 39)

Plate Glass Bureau Seeks Lower Replacement Costs

LARGER DISCOUNT IS ASKED

Inequitable Situation Taken Up by New York City Organization, Which Renders Prompt Service

NEW YORK, July 29.—As a further measure to aid members, the New York Plate Glass Service Bureau is endeavoring to secure more favorable replacement rates from glaziers here. While plate glass losses in the boroughs of Manhattan, Brooklyn, Bronx, Queens and Richmond are over \$1,000,000 a year, for some unaccountable reason the glaziers' association always has charged carriers a higher figure for replacements than is demanded of other corporations or individuals for like work.

This inequity has been patiently borne, but now a determined effort is being made to secure fair treatment.

Allowed Smaller Discount

Based on the list price of glass the companies are allowed a discount of 84 percent off for lights and installation, while other have been conceded 87 percent. Insurance men claim they are entitled to the latter discount and if they get it, which appears likely, they will effect a substantial saving.

Another valued service rendered by the bureau is in notifying promptly of losses. These are detected by representatives when making their rounds for surveying. Under Manager Madden's effective administration the organization is constantly on the alert to discover ways of bettering conditions.

A. A. A. Official Makes Plea in Regard to Auto Deaths

Americans should cease looking upon highway fatalities as a necessary product of automobile operations and should think in terms of personal responsibility, E. N. Smith, executive vice-president American Automobile Association, declared over WTIC, the Travelers' station. He said the attitude of fatalism and unthinking indifference must be renounced.

He cited four factors in the accidents: 1. Personal element, including driver and pedestrian and degree of responsibility exercised by both; 2. vehicle and its condition; 3. physical condition of roadway; 4. laws and ordinances for regulating use of roadway, and enforcement of these.

Education of the public in this line must be bolstered by laws to force responsibility of the reckless minority. He recommends a universal driver's license law with mandatory examination and a safety responsibility law such as the model bill developed by the A.A.A. and in effect in whole or in part in some 20 states and several provinces of Canada. Proper maintenance of the car is an important factor. Cars are neither fool-proof nor proof against deterioration. Seven states have adopted legislation requiring periodic inspection of car equipment, such as brakes, headlights, steering gear, etc. Roadways never were intended to carry the modern loads. Our cities' streets must be practically remade, he said.

Faces Court Charges

BOSTON, July 29.—C. A. Fingerhood of Keesville, N. Y., former president of the defunct Atlantic Mutual Casualty, was arraigned in the superior court last week on an indictment charging him with conspiracy to steal from the company. Harry Mackler, former secretary of the company and its organizer, was arraigned on similar charges last week.

Frank Chandler Resigns from Employers Group



FRANK M. CHANDLER

F. M. Chandler, who for the past three and one-half years has been assistant resident manager in Chicago for the Employers Liability, American Employers, and Employers Fire, has resigned that office and will announce his new connection within a few days. He has been associated with G. F. Douaire in the management of the Employers group in Chicago and is one of the best known casualty men in the middle west, with many years' experience in the business and with a wide acquaintance in agency circles.

For a few days Mr. Chandler will have headquarters with H. M. Hansen & Co., 1166 Insurance Exchange, Chicago.

Experience of 20 Years

Mr. Chandler has been in the casualty business for 20 years, starting in 1911 as special agent for the Travelers in eastern New York with headquarters at Albany. He was later named assistant manager of the Albany branch office and in 1920 went to Indianapolis as Indiana manager for the Travelers. In 1926 he was appointed Texas manager for the same company. During this period he left the Travelers and was associated with the firm of Knox & Mead Company, insurance agency at Troy, N. Y.

In 1927 he became vice-president and western manager in Chicago for the New York Indemnity and the following year went with the Employers group as assistant manager in Chicago.

Father of Insurance Day

Mr. Chandler is the recognized originator of the Insurance Day movement in this country, which was inaugurated several years ago when he was president of the Insurance Federation of Indiana. He is chairman of the Insurance Day Committee of the Insurance Federation of America, and is a vice-president of the Insurance Federation of Illinois. He is a former president of the Insurance Federation of New York.

Company on the Carpet

NEW YORK, July 29.—To afford further opportunity for the casualty company accused of serious rate and rule violations, to explain its position to the insurance department, an all-day hearing will be had at the department offices here July 31. The initial hearing was had two weeks ago.

Hardware Mutual Figures

The Hardware Mutual Casualty of Stevens Point, Wis., in its July 1 statement shows assets \$4,749,430, gain \$718,165 since Jan. 1, surplus \$864,167, gain \$176,179 and premiums for six months \$2,783,528, gain \$399,106.

Driving While Intoxicated Is Not 'Prohibited by Law'

DECISION OF OHIO COURT

Exception Clause of State Automobile Mutual Motor P. L. Policy Does Not Apply

The Ohio court of appeals for the first appellate district has entered judgment against the State Automobile Mutual, which denied liability under an automobile public liability policy on the ground that the driver, while operating the car while intoxicated, was subject to this exception clause: "This policy does not cover loss resulting from any of the following causes: While such motor vehicle is being operated by any person prohibited by law from driving an automobile."

The State Automobile Mutual argued that the driver was prohibited by law from driving an automobile because he was found guilty in Cincinnati of violating the following ordinance: "Whoever shall operate a motorcycle or motor vehicle of any kind upon any public highway or street while in a state of intoxication, shall be fined not less than \$25, nor more than \$100 or in prison not more than six months, or both."

Upon this theory the trial court rendered judgment for the State Automobile Mutual.

Cites General Code

The Ohio court of appeals held that in General Code, section 12,607-1, it is provided that upon conviction of driving while intoxicated "the trial court may in addition to or independent of all other penalties provided by law, prohibit such person from operating or driving a motorcycle, motor vehicle, etc., and provides a fine for operation while so prohibited by order of court from such operation."

There is a manifest difference, according to the court, where the legislature makes a certain act an offense at law and where it prohibits the doing of an act and makes the violation of the prohibition an offense. The particular act of driving while intoxicated, an offense under the city ordinances, is not expressly prohibited.

The company in writing its policy could have therein excepted from the coverage, loss resulting while such motor vehicle was being operated by any person violating the law or committing an offense at law. The State Automobile Mutual saw fit to limit its exception to coverage to cases where the vehicle was operated by a person prohibited by law from driving. If after his right to drive had been suspended, in conformity to the statute, the driver had driven a motor vehicle and caused damage, then the exception to coverage would have applied.

Minor Sues Father

Two questions are presented: Whether a liability insurance company can be joined with the automobile owner in a suit for personal injury sustained by reason of the negligence of the latter, and whether a minor child may maintain an action for personal injuries sustained by negligence of the father in operating the car in which they are riding.

Held that under the provisions of Sections 9510-3 and 9510-4, G. C. no proceeding may be had against the insurance company by the injured person until the right of action is reduced to judgment. Further, the daughter was living with her father, was under his care, custody and control and it does not appear that she had been emancipated. The minor daughter could not maintain the action against her father. *Canen v. Kraft et. al.* Ohio Ct. of Appeals.

Pacific Mutual Appoints MacEwen as Agency Head

MOORE BECOMES ASSOCIATE

Several Other Promotions Voted by Directors—Two Men Elevated to Agency Assistants

Pacific Mutual directors have appointed D. C. MacEwen superintendent of agencies. They announced that Vice-president C. I. D. Moore's connection with the agency department will continue, with the exception that he is given the title associate superintendent of agencies.

Mr. MacEwen, who is a vice-president, has been with the Pacific Mutual upwards of 15 years, early in this connection having been in the railroad department of the Chicago branch. He has been at the home office about 12 years, in various capacities. He is well known especially in the accident and health field.

Smith to Home Office

The news of elevation of Jens Smith, for 15 years manager in Chicago of the company's life department, to assistant superintendent of agencies at the home office, and assignment of F. D. Cummings, assistant superintendent of agencies at Chicago, in charge of the agency there for the present, was presented in the July 24 issue of THE NATIONAL UNDERWRITER.

E. E. Henderson, who was appointed field supervisor a year ago, becomes assistant superintendent of agencies, with headquarters probably in Washington, D. C., and supervision in the main over the Atlantic seaboard states. Territory under Mr. Cummings consists of the central states, extending from the Lakes to the Gulf, and R. N. Rafferty, field supervisor at Fort Wayne, Ind., has charge of other western states as far as the Rockies. The home office exercises direct supervision over the territory from the Rockies to the Pacific.

Other Appointments Made

F. J. Steinebrey, who for many years has been in charge of agents' accounts in the life department, also has been appointed assistant superintendent of agencies.

J. W. Rhodes has been appointed assistant secretary. He has been with the company since 1900 and for many years has been an assistant superintendent of claims.

Dr. W. H. Scoins becomes assistant medical director. He is a native of Nebraska, graduate of the University of Nebraska College of Medicine and, following several years of specializing in internal medicine, went with the company two years ago.

Compulsory Auto Liability Failed—Holland on Radio

ST. LOUIS, July 29.—Compulsory automobile liability insurance has failed to prove uniformly satisfactory, since it has resulted in higher rates, increased litigation and some collusion, J. F. Holland, Missouri deputy superintendent of insurance, declared in a radio address last Sunday.

Deputy Holland pointed out that the compulsory insurance as tried in some eastern states had failed to reduce the number of automobile accidents, and in its place he advocated a driver's financial responsibility law requiring every driver before he could obtain a state license to operate an automobile to show financial responsibility or adequate sound insurance protection. "This escapes putting the state into the insurance business and still reserves to the individual his own avenue of meeting the requirements of the responsibility statute," he said.

Setup of Chicago Group Is Proposed

Constitution, By-Laws of Chicago Casualty Acquisition Cost Control

REFORM PLAN PROJECTED

Machinery for Handling Complaints of Violations Suggested—Based on Acquisition Cost Rules

NEW YORK, July 29.—The constitution and by-laws of the proposed Chicago Casualty Acquisition Cost Control, put forth as a basis for reform in that city, are now in the hands of home office executives, most of whom are sending copies to their Chicago managers. James A. Beha, manager National Bureau of Casualty & Surety Underwriters, will undoubtedly go to Chicago shortly to help put the new organization into being. It is likely that the Casualty Club of Chicago will take action on the constitution and by-laws and if the new association is launched, the Casualty Club of Chicago will pass out of existence.

The first object of the Chicago Acquisition Cost Control or the Control, as it will probably be known, would be to promote cooperation among the local representatives of stock companies transacting a casualty business in Cook county and provide for discussion of the commission and agency problem. Its second object would be to administer the rules of the Casualty Acquisition Cost Conference; to receive complaints of violations of rules; to make the necessary investigations in connection with these complaints and to take such action and/or impose such penalties as may be deemed proper.

Membership Provision

Membership would include every stock casualty company which is a member of the Casualty Acquisition Cost Conference and which transacts business in Cook county. Branch managers and general agents of these companies would be required to be members. Each company would be represented in the Control by a designated local representative or his alternate. Each company would have one vote, which would be apportioned equally among its designated representatives.

Those companies which are not members of the Casualty Acquisition Cost Conference and their local representatives would be permitted to become members upon election by the governing committee. These members might resign from the Control by giving 90 days notice of intention.

The officers would include a chairman and vice-chairman who would be elected by the Control, and an executive secretary who would be the Chicago branch manager of the National Bureau of Casualty & Surety Underwriters. The present branch manager is Peter Malah.

Governing Committee

The Control would elect a governing committee and other committees as the necessity for them developed.

The governing committee, would consist of a chairman, vice-chairman and seven other members.

All complaints of violation would be reported to the executive secretary, who would start an investigation. If the investigation developed proof of the alleged violation, the executive secretary, with the approval of the chairman of the Control, may cause an examination

(CONTINUED ON PAGE 38)

Another Big Verdict on Auto Accident of Agent

JOHN HANCOCK HELD LIABLE

Industrial Solicitor Used Own Car in Covering Debit Without Knowledge of Superintendent

PHILADELPHIA, July 29.—Is an insurance company liable for the automobile accidents of its agents using their own cars to solicit business and collect premiums? The common plea court No. 1 of Philadelphia has just ruled that it is. The case was that of Charles Adams, an industrial life agent of the John Hancock Mutual Life, which is held liable on a verdict of \$22,500.

On March 11, 1927, Adams, riding in his automobile, struck John Wesolowski, then 14, who was riding a bicycle, at Lycoming and Hunting Park avenue.

The parents of the boy sued the company, claiming that the John Hancock was responsible for Adams' actions. The company based its defense solely on the ground that Adams was not on the business of the company at the time and that the company was not responsible.

Only Reported Occasionally

In its defense, the company said that Adams had been hired Jan. 17, 1927, and was paid a salary for his debit and a commission on insurance. He had a small debit and it was not necessary to use a car to collect. The company said that he had only 150 accounts in an area of five squares. The company said that it had no control over his hours other than that he was to report Wednesdays, Thursdays, Fridays and Saturdays to settle his accounts.

When Adams first started, the superintendent, in showing him the debit, took Adams on a street car. He was never, declared the company, instructed to use an automobile and no allowance was given him for it and the company had no way of knowing what he did with his time nor what hours he worked. Adams left the company May 11, 1927. The court ruled against the company.

The John Hancock has demanded a new trial and if it is not granted, the company will appeal and will carry the case to the highest court for a final decision.

The case is of the gravest importance to all life companies, especially to those writing industrial business. Should the lower Philadelphia court be upheld and insurance companies be held liable for all acts of their agents, it will mean that the companies may find themselves facing numerous claims and suits and that they will be forced to either settle the claims, take them to court or else carry non-ownership liability insurance. It is said that the New York Life now carries this kind of insurance.

This is the second recent verdict against the John Hancock, one having been rendered in a similar case at Hartford, Conn. The danger is greater to industrial than to ordinary companies, as ordinary agents are likely to carry automobile insurance of their own. The famous Dillon case in California, in which the Prudential was held for \$10,000, set the insurance precedent, although the original precedent against the Singer Sewing Machine Company, goes back to 1889.

Reorganize Commission

With appointment of C. R. Carlgren to succeed Henry McColl, the Minnesota industrial commission has been reorganized with one republican, one democrat and one farmer-laborite. Mr. Carlgren will represent employers. Decision as to which member will sit on the compensation insurance board will be made in a few days, as a hearing on rate revision comes up Aug. 6. For some years, F. A. Duxbury, former member, served on the compensation board.

Curry Is New President of the Great National



SPENCER B. CURRY

Spencer B. Curry, the new president of the Great National Insurance Company, whose executive office has been changed from Washington, D. C., to 215 East Fayette street, Baltimore, started in the insurance business in 1901 with the Fidelity Mutual Life and then went with the old Philadelphia Casualty. In September, 1911, he moved to Washington, D. C., and started in the agency business. He became vice-president and general manager of an incorporated agency whose premium income exceeded \$400,000. In 1927 he resigned from the agency and helped to organize the Great National, he having been vice-president and general manager until elevated to the presidency a few days ago.

The Great National took over the National Fidelity Fire of Baltimore, the consolidation becoming effective July 1. Mr. Curry is a man of delightful personality and exceedingly cordial.

Seek Permanent Injunction Against Responsibility Law

ASHEVILLE, N. C., July 29.—Several thousand public service automobile operators in this state are awaiting decision of the superior court at Raleigh on the question whether a permanent injunction shall be issued against enforcement of the new law requiring all operators to take out liability insurance and property damage.

Two cases attacking enforcement were argued, involving the same question, one by way of injunction and the other mandamus. In one case it was maintained the law is unconstitutional because it would deprive the plaintiff of his property and business without due process of law, since, he claimed, the bond or insurance policy required are excessive.

In the mandamus case plaintiff sought to compel the state to issue him a license without bond or policy, also maintaining the law is unconstitutional. Decision is expected in two weeks.

Revised Rates in Indiana

Sept. 1, revised compensation rates will be effective in Indiana, but these shall not be available by endorsement or otherwise to outstanding policies, nor can any outstanding policy be cancelled and rewritten to avoid this rule. If any such policy is cancelled and rewritten in the same or some other carrier the new policy must carry the rates applicable to the cancelled policy until the normal expiration date of such cancelled policy, when the new policy shall be endorsed to carry the then existing rates.

Taxicab Cover Is Vexing Problem

New York Department Conducts Hearing on Subject of Rates

MUCH CONFUSION FOUND

State Office Is Asked to Look Into the Subject and Make Recommendations

NEW YORK, July 29.—Representatives of three stock and seven mutual casualty companies attended the hearing at the department office here July 23, to learn the attitude of Superintendent Van Schaick toward the taxicab insurance situation. As the superintendent said "from the very first serious problems have arisen in the handling of this business by virtue of competitive abuses, rebating and the abnormal acquisition costs. The failure of companies specializing in the line have been out of all proportion to failures among other types of carriers." He cited as a particular instance the case of one concern that had more than 30,000 claims on file at the time of its collapse. The loss adjustment practices of some of the companies, Mr. Van Schaick asserted, "are highly unsatisfactory." It was with the thought of remedying the evils complained of that the conference was held.

Make Study of Rates

At its conclusion the request was made by several executives that the department make particular study of rates, with a view to determining premiums that would prove adequate, and yet reasonable to the assured.

The law, enacted several years ago, provides that owners of public carrying taxicabs in cities of the first-class, furnish continuing indemnity of \$2,500-\$5,000 limits per car for public liability, plus property damage insurance of \$1,000. The initial rate fixed by the stock companies for the coverage was \$900 per annum; the surety offices charging \$600 for their bonds. These rates, being held highly excessive by the taxicab owners, and beyond their ability to meet, such companies as cared to handle the business named a rate of \$24 per month for individual cars, and \$40 per month for fleets.

Mutuals Were Organized

The National Bureau of Casualty & Surety Underwriters eliminated from its manual, rates for this indemnity, insofar as this city was concerned, members being free to file whatever figures seemed to them wise. A score or more mutuals were formed to specialize in the taxicab business, hoping to profit through the general unwillingness of the stock corporations to handle the risk. Due to inexperienced management no less than eight such concerns were forced into receiverships. Seven continue to operate.

Under arrangements with surety companies several of the large taxicab groups handle their own insurance; the surety offices giving bond guaranteeing the settlement of claims. For this a monthly premium ranging from \$5 to \$9 according to the strength of a group is charged. Under the group plan the cost per car to the members runs from \$17 to \$20 per month. Four groups of this type are now in existence. Taxicab business has never been regarded with favor by stock casualty underwriters; premiums proving insufficient to take care of losses and expenses, to say nothing of the absence of profit.

Danger Seen in Continued Disability Rate Increases

BAD SELECTION IS RESULT

Skilled Underwriter Emphasizes Need for Concentration on Careful Underwriting of Cover

NEW YORK, July 29.—The claim experience of life companies in this country under the increased disability rates during the last year has been highly unsatisfactory and that a further rate increase soon may be demanded, brings comment from an experienced disability underwriter pointing out the danger of attempting to make any insurance line profitable merely by rate increases.

The greatest danger of such a method he said is in setting up a process of bad selection against the companies. As rates are increased the companies make it increasingly difficult for the very class of policyholders they most desire, to carry disability cover, the ones with good moral hazard and who could be looked to for a profit on this business.

However, persons in dangerous occupations and those involving bad moral hazard, would continue their disability cover and take on additional if possible. The latter class is unmindful of the cost because they realize they must be covered at whatever price.

This may perhaps account for the fact that experience on disability under the greatly increased scale is not so very much better than on the very low scale at which the companies first started to write it. Obviously, rate increases have not brought the margin of profit which might have been expected.

The underwriter mentioned above sees in these facts clear indications that life companies issuing disability must look for a profit on their underwriting side and not from rate-making alone. He says undoubtedly all life insurance companies believe they are underwriting disability carefully but the bad experience speaks for itself in this respect.

Branch Service Office

NEW YORK, July 29.—The Standard Accident has established a branch service office for its bonding department in Brooklyn, with P. J. Fager in charge. Mr. Fager has had extended experience in the line; knows the needs of assureds and brokers and is in position to supply them.

Rights of Surety in Maywood, Ill. Bank That Failed

The Illinois appellate court, first district, decides a depository bond case in Village of Maywood et al. vs. Aetna Casualty & Surety. The case grew out of the failure of a bank which was closed February, 1930. The village had on deposit \$63,000. The Aetna Casualty had executed two depository bonds for \$30,000. The bill avers that Schroeder failed to perform her duties as village treasurer by making deposits in the bank in excess of the aggregate penal sum of the depository bonds furnished by the bank and that the Great American Indemnity is liable under her bond for all such money deposited; that the excess sums were wrongfully deposited by the treasurer and wrongfully received by the bank and constituted trust funds for which the village is entitled to a preferred claim against the bank's assets. The bill also avers that the complainant has offered to pay the village \$30,000, being the aggregate penalties of the bonds, "on the understanding that the complainant shall be subrogated for the right of the village." The village has refused to accept the offer.

Contention of the Company

The Aetna Casualty declares that the rights of the parties became fixed Feb. 8, 1930, and that it was then entitled upon payment to the village of an amount of money equal to the penalties of the depository bonds to be subrogated. The court holds that all the cases on which the complainant relies come to a wrong conclusion by assuming the same false premise. The loss is the net loss sustained by the Village of Maywood after it has received all the dividends that it may be entitled to receive from the insolvent bank. The amount for which the surety company should answer was not limited in the bond except to the full extent of the amount deposited, although the village of course would be limited in its recovery necessarily to the penalty named in the bonds. Further, as to the assertion that the excess deposits in the bank constitute a trust fund for the benefit of the village and that the same would be a preferred claim to which the Aetna Casualty has a right to be subrogated, the court calls attention to the Maryland Casualty vs. Fouts, 11 Fed. (2nd) 71, which gives a complete negative answer. The court

Merit Rating Warranty Upheld Though Unread

ASSURED BOUND BY ANSWERS

Cannot Retain Policy Without Accepting Provisions Even If Agent Asked No Questions

The first decision so far known on the merit rating warranty in automobile insurance has been rendered by the United States circuit court of appeals for the sixth circuit (Ky.). In the schedule of warranties the answer "no exception" was given to the questions on past accidents and on refusal of any company to issue automobile insurance to the assured. Both answers were false. The assured attempted to avoid the warranties by claiming that the agent made no inquiries whatever on these points, but must have filled in the answers himself. The circuit court of appeals says that this defense cannot prevail. The policyholder is held strictly to knowledge of the contents of his policy. Retention of the policy, says the court, constitutes an adoption of the application and of the representations on which the policy was issued. Nor is knowledge by the soliciting agent of the falsity of the insured to be imputed to the principal. By falsifying the application or schedule of warranties, if such was the fact, the agent would make himself a party to a fraud upon the company, and his knowledge is not then to be imputed to the principal. The case was Taylor vs. American Liability, and judgment is given for the American Liability.

says that neither can the bill be sustained as one for contribution between complainant and the surety company.

The bonds severally executed by these surety companies are not for the same principal. This fact alone would prevent a recovery on that theory. It contends that the sureties are not in any respect by reason of the execution and delivery of the respective bonds, sharers of a common burden or liability. The real party at fault primarily is the bank. As between the bank, which failed to repay money deposited with it, and a village treasurer who made the mistake of trusting the bank, there can be no question in a court of conscience as to which would have the superior equities, and without a superior equity the Aetna Casualty cannot maintain its bill. The decree for the village was affirmed.

High Pressure Companies Are Now Very Tame

The standard, orthodox, dependable casualty companies are watching with interest the readjustment in the agency ranks because of the failure of the excess commission, high pressure, so-called liberal companies to make the grade. In many agencies the trading over the entrance of a new company in an agency was on its attitude toward workmen's compensation business. If a casualty company promised to take what an agent offered or to be very liberal in its writings, this company was taken on often to the detriment of an old company that had been in the agency before. It paid higher commissions and granted greater authority to the agents, it was more liberal in its underwriting, it handed out more than it should to policyholders. Now the day of reckoning comes and these agents find that their so-called liberal minded companies are not able to carry on. After all there are so many cents in the dollar and no company can continue very long to sell business at a low cost price and pay out 125 cents for every 100 taken in.

Merger Deal Approved

NEW YORK, July 29.—Formal ratification of the merger of the Franklin Surety with Lloyds Casualty, both of New York City, was given by both groups of stockholders at special meetings Tuesday. The plan will now be sent the insurance department for review, and approval is expected. Under the arrangement, the organization of the Franklin is taken over by the Lloyds, which will carry out all of its contracts. Lloyds Casualty now has approximately \$7,000,000 assets, \$1,513,000 net surplus and \$1,000,000 capital, this latter item having been reduced from \$2,000,000. The difference was added to surplus.

Hearing on Rate Increase

NEW YORK, July 29.—Argument on appeal for a 15 percent increase in workmen's compensation rates in New York State will be heard by the insurance department today. It is expected that it will be granted, at least in part. It is proposed to make the new rates effective Sept. 1.

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Autogiro No Death Record Broken But Still Deemed Safer

NEW YORK, July 29.—The autogiro, which has been highly favored by aviation underwriters, lost its "no-deaths" record Sunday when one of this type of machine landed in a crowd at San Francisco Bay airport and killed one person and injured several others with its whirling blades. Underwriters admit that the rotor, a characteristic of the machine, has possibilities of danger which make it more hazardous from a public liability standpoint than had previously been thought.

Even so, it is believed that the autogiro is slightly safer in this respect than the air plane, as it is much easier for the pilot to pick a landing place than in the case of the faster-moving airplane, so that in spite of the recently demonstrated hazard of the whirling rotor aviation underwriters are still strong in their faith in the safety of the windmill plane.

Rates Are Lower

Rates for passenger liability and hull coverage are very favorable and the personal accident insurance underwriter of one aviation underwriting group says that a man who is buying an autogiro for his personal use would be given a much lower rate on an aviation accident policy than if he were buying an airplane under similar circumstances.

Aviation insurance men believe the autogiro will have a large part in bringing about aviation among amateurs. Even though the machines cost more to make and operate than airplanes, yet the element of safety, especially where the pilot is relatively inexperienced is so markedly in favor of the autogiro that it should more than offset the difference in price.

Standard Casualty & Surety Reports Six Months' Record

NEW YORK, July 29.—Despite general business depression and the excessive competition obtaining in the casualty field, the Standard Surety & Casualty of this city is highly gratified with its record for the first half of the year. Its business was considerably greater than that for the corresponding period of 1930, though there was a substantial decrease in compensation writings. The automobile liability line shows a gain of 36 percent. Numerous agency appointments were made in the period. The company now has 1,479 representatives. Service offices were opened at various strategic centers in this country and Canada, thus further increasing the facilities granted agents and assureds. On the basis of earned premiums the incurred loss ratio for the first half of 1931 was only 38 percent. As evidencing the care given to claim handling, 98 percent of all losses reported were disposed of. The Standard Surety & Casualty is now licensed in 43 states and the District of Columbia.

Committee to Meet

NEW YORK, July 29.—The committee on fidelity and suretyship of the National Convention of Insurance Commissioners will meet here Aug. 19.

Rate Increase Is Expected

SAN FRANCISCO, July 29.—Automobile liability rates in California undoubtedly will be increased before the first of the year, C. V. Badger, assistant manager San Francisco office, National Bureau of Casualty & Surety Underwriters, predicts. He says that the raise probably will approximate 18 percent, in keeping with the last rate revision made

in November, 1930, which averaged 18.3 percent throughout the state. A 15 percent increase in auto accident deaths the first six months is the reason given. Mr. Badger said that in 1930 companies experienced a liability loss of \$13,183,004 over the amount of business done in the United States. This in itself, he declares, makes a revision in rates necessary.

Guest Law Not Retroactive California Court Decides

A decision of interest to claim men, who have been speculating as to whether the so-called automobile guest laws in the various states are retroactive, is that of the California supreme court in *Edwards et al. vs. Gullick et al.* The law, which prevents recovery of a guest from an automobile owner except where wanton and wilful negligence is involved, is not retroactive, according to the California supreme court.

Notwithstanding this decision, it is likely that the question will be tested in other states by casualty companies. One company is preparing to test the newly enacted Illinois law in defense of a guest suit for serious injuries.

The consensus of claim men is that guest suits instituted after the new law has gone into effect but arising out of accidents occurring before the guest law was enacted, are not affected by the law. But, cases of this kind will also undoubtedly be questioned.

Expect Salvage Soon

NEW YORK, July 29.—Of the \$254,000,000 claims filed against the Bank of United States of this city, which failed last December, the banking department has accepted \$131,002,495, and will ask authority from the court to pay a 30 percent dividend. Among the claims are those of the Consolidated Indemnity for \$2,113,237; Indemnity of North America, \$100,000; American Surety, \$200,000, and Independence Indemnity, \$100,000.

O. K. Federal Mutual Deal

MILWAUKEE, July 29.—The Wisconsin department has approved acquisition of business of the Federal Mutual Automobile of this city by units of the Lumbermen's Mutual Casualty of Chicago. Under the arrangement completed, all automobile business of the Federal Mutual has been taken over by American Motorists' and the National Retailers' Mutual, companies in the James S. Kemper group. The Milwaukee company will liquidate its own claims. The Federal Mutual ranked sixth among Wisconsin automobile carriers in 1930, with \$67,930,000 insurance in force. E. A. Rich of the insurance department has been placed in charge of liquidation here.

Teeth in Wisconsin Law

MILWAUKEE, July 29.—Teeth have been put in the Wisconsin motor vehicle operators' law, which requires proof of financial responsibility after the first accident. Applicants must furnish more information than under the old law, and may be required to state whether they carry liability insurance, give a record of motoring accidents, and how they were compensated. Persons involved in auto accidents who before have passed it off by saying they were to blame, but had no insurance or money, under the new law would lose their licenses and their car would be tied up by forfeiture of registration until they had paid for the damage and shown proof of financial responsibility in case of a subsequent accident.

"Income Building Knowledge," a free booklet for **casualty men**. Write The National Underwriter, Cincinnati.



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CHANGES IN CASUALTY FIELD

Miles & Miles Make Change

Reinsure Illinois Business of Union Automobile and Take on American Liability & Surety

The Miles & Miles office of Chicago, which for nine years has been Illinois general agent for the Union Automobile of California, has arranged to reinsure all the outstanding liability of the Union Automobile in that state in the American Liability & Surety of Cincinnati and will hereafter represent the American Liability & Surety as general agents for the Chicago metropolitan area. The Union Automobile is arranging to reinsure all of its business outside of California and Oregon, so that it can concentrate its writings hereafter in those two states.

There will be no change in method of operations of the Miles & Miles office, which has developed a profitable plant through a steady process of growth. Its claims will continue to be represented by A. L. Ladd & Co., and its offices will continue unchanged at 330 South Wells street, Chicago.

Members of the Miles & Miles office are Mark A. Miles and W. A. Miles.

Canadian Appointment by Zurich

TORONTO, CAN., July 29.—Following the appointment of Neville Pilling, former Canadian manager, to be general superintendent for the United States, under Manager A. W. Collins at Chicago, the Zurich General Accident has

promoted G. C. Edwards from assistant manager to manager for Canada. Mr. Edwards is a Canadian by birth and served with the Western, the General Accident and the Employers' Liability before joining the Zurich.

The new manager started in business with the General Accident and then went with the Employers' Liability as superintendent of agencies of Canada. The position of assistant manager will not be filled.

Company Notes

The National Surety announces the appointment of Goldwaite, Preston & Olmstead, Springfield, Mass.

E. E. Johnson, who was assistant manager of the Consolidated Indemnity's Newark branch office before it was closed, has joined Van Houten & Sherwood, Jersey City.

The National Surety's Newark claim department is now located in the office of Ballard & Greene, New Jersey general agents, under the supervision of G. F. Charette.

W. J. Cary, formerly superintendent of claims at the Newark office of the Metropolitan Casualty under Manager Henry Reardon, has been appointed traveling auditor in its New York office by the Ocean Accident.

The National Surety has appointed George P. Wingo as assistant manager at Dallas. He has had valuable experience in the southwest territory. C. S. Parker is state manager in the Kirby building at Dallas.

Theodore B. Sherman, former manager of the Columbus, Ohio, Service Bureau of the United States Fidelity & Guaranty and later special agent in training at Cleveland, has been assigned to Zone No. 1 of the Buffalo branch office.

WORKMEN'S COMPENSATION

Officer Still an Employee

Credit Manager Made Officer—Injured While Doing Credit Work—Entitled to Compensation

RICHMOND, VA., July 29.—That a man may be an official of a company and draw a salary of \$10,000 a year and at the same time be such an employee of the company as to entitle him to compensation, according to a ruling of the Virginia industrial commission in the case of C. S. Carr, claimant, vs. F. S. Royster Guano Company.

Carr, it appears, was credit manager for the company when he was elected treasurer and later vice-president at a salary of \$10,000 a year. He continued to devote at least 80 percent of his time to credit matters as he had done when he was only manager of credits, according to evidence in the case. He was injured in an automobile accident in March, 1930, when on his way to North Carolina to give attention to certain accounts. In awarding him compensation for a period of three months for total disability, the commission in its opinion said: "It seems absurd to say that a man who spends 80 percent of his time with credits and collections and 20 percent on other duties as an officer should be classed as an officer." The case was contested on the ground that he was an officer and therefore not entitled to compensation.

Disallows Hernia Award

OKLAHOMA CITY, July 29.—The industrial commission is without authority to award compensation to a workman for an operation for hernia where the workman has refused it when offered by the insurance carrier, contractor or employer, the Oklahoma supreme court holds on appeal of the Walker Motor Company and Aetna Life

vs. Ollie Eastman and the state industrial commission.

The plaintiff Eastman suffered hernia while in employ of the motor company, and was given \$92.32 initial award, which was not contested. Several times later, it was claimed, the employer and insurer offered to pay for an operation, but this was refused, it was declared, because the injured man did not want an operation and stated that he was cured. The commission finally awarded \$125.

Accident-Health Field News

Two New Policies Are Issued

Sentinel Life Announces Features of Contracts That Are Sent Out to Agents

The Sentinel Life has just issued two new so-called non-cancellable or aggregate indemnity (up to 60) policies: a new accident and health income policy with cash surrender values, and a multiple travel accident policy. These two policies replace former policies.

The income policy is designed for business and professional men, and is issued with an aggregate amount payable of \$6,000 for each \$100 of monthly income purchased. The elimination period is two or three months, depending on the insured's choice. Hospital benefit, however, applies during this period without extra charge. The hospital benefit is 50 percent of the monthly income provided. Cash surrender values begin in the third year, and for that year, for each \$100 of monthly indemnity at age 30 the policy guarantees the insured \$31.95; in the fourth year, \$42.30; fifth, \$54.20; tenth, \$98.40; fifteenth, \$135.95,

and twentieth, \$156.30. The third, fourth and fifth years the cash value is 25 percent of premiums paid in; the tenth, 23 percent; fifteenth, 21 percent, and twentieth, 16 percent.

The company has stressed several facts; for instance: that house confinement is not required, air travel is fully covered at no extra premium, issued on medical examination.

The second policy, the multiple travel accident, provides indemnity for loss of life, limb, sight, etc., due to accidental bodily injuries as the result of travel accidents. The policy pays \$100 a month for total disability not to exceed six months, and half that for partial disability not to exceed one month. In addition there are \$50 for hospital indemnity or the same amount for nurse's fees. The policy will sell for \$10 a year with a \$3,000 principal sum.

Rates Will Be Increased

Travelers Organizations Find that Their Claims Are Mounting Up to Greater Proportions

The Travelers Protective of St. Louis is increasing the rates for Classes A and B from \$12 to \$15 a year and announces that Class C rates have been increased from \$24 to \$30 a year for risks already on the books. No new Class C business has been written since July 1, and none will be written.

The United Commercial Travelers of Columbus will collect \$16 a year beginning Jan. 1, instead of \$12 a year which has been collected in the past.

These increases in rates are the answers of the two organizations to the experience of the last few years. Last year the Travelers Protective had a premium income of \$1,349,253 and paid losses of \$1,487,477. The United Commercial Travelers had a premium income of \$1,349,674 and paid in losses, \$1,514,961.

Change of Occupation Issue

Kentucky Court of Appeals Construes a Policy Where Company Had Denied Liability

The issue of change of occupation arises in the decision of the Kentucky court of appeals in *Secrest vs. Benefit Association of Railway Employees*. Secrest was injured by a garage door slamming against his shoulder, resulting in a paralysis of his arm. At the time the policy was issued, he was clerk or chief engine dispatcher for the L. & N. road. The policy contained the regular pro rate clause in case of change of occupation. The company claimed that he left the railroad to sell insurance and that his injury did not prevent him from carrying on the work of selling insurance. This was an income policy. The company declared that he had changed his occupation before the injury took place. At the time he was injured he was at his home going after a bucket of coal.

The court held that before he received his injury the assured had obtained a leave of absence from the railroad and therefore he had not abandoned his occupation of chief engine dispatcher. It says that the word "occupation" should receive a practical and rational construction, one consistent with reason and common fairness rather than enforcing a forfeiture if the terms of the instrument will fairly and justly permit it. The court says that if the disability is such as to prevent a policyholder from doing all the substantial acts required of him in his business it is to be regarded as a total one, and recovery should not be denied under the disability clause. Judgment for the assured is affirmed.

The Citizens Casualty has been increased in Virginia. J. H. Andes is in charge.

FIDELITY AND SURETY NEWS

Write Large Contract Bonds

Minneapolis Agency Places Two Huge Lines on Post Offices Through Public Indemnity Branch

Indication that construction is looking up in the middle west after a long, painful period in which there has been practically no building is given in the awarding of two large contract bonds to the Public Indemnity. Both were placed by the Cobb-Strecker-Miller agency of Minneapolis, and handled through the Public's branch at Chicago, managed by C. C. Blackwell.

One was for \$1,507,000 on the new postoffice at Louisville, to be built by the Pike & Cook Co., Minneapolis contractors, and the other is for \$2,330,000 on the new Kansas City, Mo., postoffice, to be built by the Ring Construction Co., also of Minneapolis.

The Chicago branch of the Public has had a very good business this year. It is interesting to note that over 40 percent of premiums written by the branch this year is on bond business.

Sees Big Possibilities in Dishonesty Insurance

The field for developing dishonesty insurance is practically unlimited states Herbert Kohlwe of the Pacific department of the Hartford Accident & Indemnity in the "Hartford Agent." It can be stated that dishonesty insurance contracts may be issued wherever the relationship of employer and employee exists. Every type of reputable mercantile, manufacturing, or financial concern is a prospect. Losses due to dishonesty of employees exceed those caused by fire. It is just as important for business men to protect their more liquid assets such as cash, securities, and merchandise, as it is to carry fire and business interruption insurance contracts on their real property.

Sixty Day Clause to Expire

Surety men are somewhat apprehensive as to what effect the expiration of the so-called 60 day clause for savings bank depositors in Chicago will have. When bank excitement was at its height in Chicago a few weeks ago, some of the outlying banks invoked the 60 day clause; that is, took advantage of the statute which permitted them to cause depositors to give 60 days' notice before withdrawing their funds. The nervousness about Chicago banks has subsided and it is likely that at the end of 60 days there will be no great rush to withdraw deposits. However, this is a feature which surety men are watching.

Cemetery's Position Upheld

Court Rules Assured Not Obligated to Accept New Contractor Designated by Globe

The appellate division of the New York supreme court has decided that the Cemetery Gardens, Inc., of Long Island, need not accept the new contractor designated by the Globe Indemnity, as surety, after the default of the first contractor. Judgment in favor of the cemetery corporation was entered for \$9,000.

Counsel for the cemetery contended that the bond under which the suit was brought did not require the assured to enter into a contract with any new contractor. The Globe Indemnity set up that after default by the contractor and after the assured had been unable to secure any contractor to complete the work without loss to it in excess of the surety's bond, the assured and surety entered into a contract whereby the assured was to employ such contractor as the surety should designate to complete the work, the new contractor agreeing to complete it for an amount not greater than the balance which would be payable under the original contract.

Fewer Personal Bonds Given

Public Officials Turning to Corporate Surety—Bank Depository Bonds Difficult to Secure

ST. PAUL, July 29.—The old time personal bond furnished by city and county officials is steadily giving way to the more modern method of protection, and corporate surety bond. That is the experience of the W. B. Joyce & Co. office here, which writes a big volume of surety bonds in Minnesota.

"I would say that this year between 70 and 75 percent of the bonds are being furnished by surety companies," said L. A. Green, manager of that department for Joyce & Co. "Some years ago by far the majority of the official bonds were personal bonds, furnished by the men themselves and their friends."

There has been no change in the legal requirements regarding official bonds but general conditions have changed in such a way as to make surety bonds more desirable. Business men and farmers, for example, are not so willing to sign bonds for friends as they once were.

Another development in the bonding business in this territory has to do with depository bonds for state banks in Wisconsin. Many of the banks in western Wisconsin come to the Twin Cities for their bonds and some are having difficulty in getting them. Formerly many

of these banks furnished depository bonds signed by business men and farmers in the community. Because of unsettled conditions over the country, these signers are hard to get and so the banks are turning to the bonding companies, which also are extremely cautious in furnishing them.

Good Behavior Bond Is Held to Cover All Criminal Acts

The Kansas supreme court in State vs. Saunders et al. decides a case where the defendant was convicted of violating the cigarette law. He gave a bond for good behavior for the next two years. Within that time he was convicted of violating the liquor law. The sureties contended that the bond was not violated. From a judgment on the bond the defendant appealed. The higher court holds that the judgment should be affirmed. The law requiring such a bond is valid and enforceable. The violation of a law enacted for the safety and welfare of the people is within the contemplation of the statute and constitutes a breach of misbehavior obligation.

BURGLARY

Important Statistical Study

Summary of Burglaries Shows Increase of That Crime—Need for Protection Seen

Crime statistics compiled monthly by the bureau of investigation of the United States Department of Justice on the number of grave offenses known to the police show that robbery, burglary, larceny and theft go to make up the major part of the more serious criminal activities. A summary of these crime statistics by the Travelers for a recent month reveals information of value to every agent in the solicitation of risks covering residence burglary, paymaster and messenger robbery, office and store robbery, mercantile safe burglary and bank and safe deposit box burglary and robbery.

Out of a total of 47,312 grave offenses in a recent month, 44,419 involved robbery, burglary, larceny and theft, including automobile thefts. Excluding the number of offenses involving automobile thefts from the grand total reported for the one month, the number of offenses comprising robbery, burglary, larceny and theft constituted 69 percent of all the grave offenses reported.

A detailed analysis of the figures shows further that more than 5 percent of the total offenses have to do with robbery, more than 20 percent involve burglary, while 43 percent have to do with larceny and theft. These per-

centages mean that at least one out of every 20 grave offenses known to the police in 746 cities in the country during a recent month involved robbery, with one out of five involving burglary and three out of seven having to do with larceny and theft.

One of the interesting facts about the figures has to do with the size of the cities included in the report. Out of the total of 746 cities, 459 were of populations between 10,000 and 25,000 and only 68 were of populations exceeding 100,000. The information indicates that residents and places of business in comparatively small towns and cities are as much in need, if not more so, of the various forms of burglary and robbery insurance as are the residents and business establishments of larger centers of populations.

Need for Protection Shown

A further indication that residents and places of business in comparatively small centers of population need various forms of burglary and robbery insurance is to be had from a comparison of the figures. For all the cities included in the report, the offenses involving robbery were 5.9 percent of the total offenses for all such crimes as against 5.8 percent in the group of cities of 100,000 or more persons. The offenses for burglary for all the cities amounted to 21.5 percent of all acts of such a nature as against 20.8 percent for larger cities. Offenses involving larceny and theft for all cities amounted to 43.7 percent of all crime similar in nature as against 44.5 percent for cities with 100,000 population. For all the cities, offenses involving robbery, burglary, larceny and theft amounted to 73 percent of all such acts as against 71 percent of the total of such crimes for cities having populations of 100,000 or over.

Still Operating Separately

PHILADELPHIA, July 29.—J. Horace Shale, vice-president and general manager Commonwealth Casualty, has issued the following statement to clarify the situation regarding his company:

"There has been a great deal of confusion in the minds of our agents and the insurance fraternity in general as a result of the recent statement concerning the Independence Indemnity.

"While a merger between the two companies is pending, it will not be final until it is approved by the stockholders of both companies and then receives the official sanction of the insurance commissioner of Pennsylvania.

"The Commonwealth Casualty Company is operating now exactly as it has in the past. It will continue to do so until the merger is completed."

The Great National has been licensed in New Jersey.

"Your Opportunity to Earn More," a free booklet for A&H men. Write The National Underwriter, Cincinnati.

PLATE GLASS AND BURGLARY INSURANCE



HOME OFFICE: INSURANCE EXCHANGE BLDG., CHICAGO

Inquiries from Aggressive Agents for Exclusive Territory Invited

A special form of Residence Burglary policy for the smaller risk—at a lower premium.

Ask for Details

Plate Glass.
We Write Both the Standard Form and the "50-50" Policy

Setup of Chicago Group Is Proposed

(CONTINUED FROM PAGE 33)

of the books of the company, its general agencies or branch for the purpose at hand, but not for extraneous purposes.

Then, the executive secretary would present a formal, written complaint to the governing committee, which would be empowered to conduct a hearing at which the accused would be represented by counsel.

After the hearing the question of guilt would be decided by the governing committee. The penalty would not exceed \$1,000 against the company; or \$250 against the manager or general agent. A two-thirds vote of the governing committee would be necessary for conviction.

No representative of the accused company could take part as a member of the governing committee in the hearing. If a representative of the accused company is on the governing committee, his place can be filled for the purpose of the hearing by election of the governing committee or by appointment of the chairman of the governing committee.

Appeal from the decision of the governing committee may be taken to the arbitration board, consisting of a representative named by the complainant; the chairman of the Casualty Acquisition Cost Conference, and a representative named by these two. If these two cannot agree within ten days on the third member of the arbitration board, the constitution and by-laws provide that the Illinois superintendent of insurance be asked to name the third person. Decision of two members of the arbitration board would be final.

Each company would deposit \$1,000 with the chairman of the Casualty Acquisition Cost Control; each branch manager and general agent would deposit \$250. The fund thus created would be known as the "rules" observance fund.

Expenses not covered by money from other sources would be borne by member companies in proportion to their total net premiums in Illinois.

The annual meeting of the control would be held in January.

BEHA ARRIVES AUG. 4

NEW YORK, July 29.—J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, will leave for Chicago Aug. 3, intending to take up with the casualty managers and general agents there the proposed new local organization. While the new agreement is not likely to be put into immediate effect, plans for its launching in the near future will undoubtedly be arrived at during the conferences next Tuesday and Wednesday.

The Fireman's Fund Indemnity has been licensed in Colorado.

PERSONALS

K. K. Moore, treasurer Henry L. Rose & Co., Baltimore adjusters, died last week after a brief illness. Mr. Moore was 39 years old and had been associated with Rose & Co. since March, 1927. When the firm was incorporated in 1929 he was made treasurer in charge of the casualty department. Previous to this he was for many years connected with the casualty department of the United States Fidelity & Guaranty, with which he made his first insurance connection in the claim department. Later he went with the Maryland Casualty and after two years returned to the U. S. F. & G., staying nine years.

New officers of the Blanket Club of Portland, Ore., are Harlan D. Know, Union Automobile, president; H. I. Curtis, National Bureau of Casualty & Surety Underwriters, vice-president, and Roy Vaughn, United Pacific Casualty, secretary-treasurer.

Bequests amounting to \$156,700 were made in the will of Adolph B. Myers, Syracuse manager of the Travelers for 20 years, who died recently.

Captain Wilbur F. Maring, Jr., reported for two weeks' duty at Ft. Riley, Kan., July 27. In private life Mr. Maring is secretary of the Kansas City Casualty & Surety Underwriters Association and Insurance Agents Association of Kansas City.

Stars to Address Los Angeles Meet

(CONTINUED FROM PAGE 3)

Mr. Palmer is known throughout the country as a brilliant speaker. Last year he presided as toastmaster at the annual banquet in Dallas, conducting one of the most successful functions the National association has ever enjoyed.

Mr. Drew, a well known speechmaker, will make his first platform appearance since he became editor of "Western Underwriter," a consolidation of his former publication, the "Insurance Report," and the "Pacific Underwriter" of San Francisco.

Mr. Hubbard's familiarity with production work and his fine presence have made a deep impression on the insurance business. He is in constant demand as a speaker, and a frequent contributor to insurance newspapers. He makes rapid fire business building talks, invaluable to producers of insurance.

Mr. Ufer will demonstrate the work of the important adjunct of the insurance business with which he is associated by presenting a series of motion pictures he has prepared. The Underwriters Laboratories also will operate an exhibit in connection with the convention.

Executives Group Has Possibilities

(CONTINUED FROM PAGE 3)

tions, since it would be in position to coordinate their activities; bring about uniformity of requirements to a considerable degree and thereby reduce confusion in the minds of agents and assureds.

It could further serve as a medium for a closer alliance between fire and casualty companies, the interests of which now overlap to a degree, causing more or less friction.

Marine Presents Problem

Marine offices too present a problem, through their encroachment upon what is held to be strictly the preserves of fire companies. The I. E. A. could very properly take up this broad and irritating question and work out a satisfactory solution.

In dealings with insurance departments the organization would be in position to speak with authority for its interests and doubtless in many cases could secure adoption of policies applicable throughout the country.

Altogether the I. E. A. is intended to serve the fire insurance business with the same effectiveness as does the Association of Life Insurance Presidents the life companies, and the Association of Casualty & Surety Executives, the casualty and surety writing companies. The conviction is gaining ground that if the plans now formulated are faithfully carried out, there is little doubt but that it will do exactly this.

Indiana Golf Tournament

"The mid-year golf tournament held by the Indiana Casualty & Surety Field Club, July 24, was a great success, according to Freeman Davis, manager of the Travelers, who is president of the club. Tom Crowley and Harry Schornstein, chairman and assistant chairman on arrangements announced the following prize winners:

"Donald Vorce, Seiser & Miller office, Muncie, low gross, 78; Freeman Davis, Travelers, low gross, 78; Geo. Moore, Sun Indemnity, first prize in blind par matches.

David Layton, New Amsterdam Casualty, 2nd; Walter Krull, Southern Surety, 3rd; J. R. Donahue of the National Bureau, 4th; H. T. Drake of the National Bureau, 5th; Arthur Everett of Terre Haute, 6th; Chas. McGargel of Fidelity & Deposit, 7th; Kyle Simpson of London Guarantee & Accident, 8th."

New Boiler and Machinery Rules

TORONTO, July 29.—The Canadian Boiler & Machinery Underwriters Association announces changes in the rules and rates for boiler and machinery insurance. Provision is made for "combined coverage" while changes in rates on steam turbines and water turbines over 2000 kilowatts are reduced.

MacLachlan Joins Employers at Its Chicago Department

H. F. MacLachlan, former Cook County manager of the Royal Indemnity, is appointed assistant manager of the Employers Liability group in its Chicago department succeeding F. M. Chandler who resigned. Mr. MacLachlan was formerly with the Ocean in the east and then joined its Chicago organization as assistant manager. He is a man of excellent training. Geo. F. Douaire is the captain of the Employers Liability ships at Chicago and Elmer Anderson has charge of the surety end. Superintendent of Agents T. J. Quinlan from the head office, is in Chicago supervising the change in the department.

Depository Bond Rates Are Increased on Public Funds

NEW YORK, July 29.—Effective immediately both as to new business and renewals, the Towner Rating Bureau has promulgated new rates for depository bonds upon public funds. In all states rates are now based upon bank's capital and surplus (undivided profits disregarded), instead of upon capital merely, as heretofore.

Two tables of rates are furnished, one where depositor is not required to furnish bond in double amount of maximum deposit, and the other where such indemnity is required. While many rates are doubled in the new scale, it does not mean assureds will have to pay such addition. The present rating takes into consideration surplus as well as capital in determining the premium.

Failure to Give Notice

The plaintiff had recovered judgment against the defendant Fishman for injury received and sought to compel payment out of insurance claimed to be due to Fishman from the defendant company, which had issued a policy insuring Fishman against loss arising from accident on the premises where the plaintiff was hurt, as provided by statute. The insurance company denied liability to Fishman or the plaintiff. It set up that the policy required as conditions of liability that the assured, on the occurrence of an accident covered by the policy, should "give immediate written notice thereof"; which was not done.

Held that the failure so to notify and to send were breaches of conditions which relieved the insurer of liability under the policy, unless waived, and there is no evidence of waiver. Kana v. Fishman & ano. Mass. Sup. Jud. Ct.

Big Rewards for Producers—Big rewards are in store for the fire agent who can produce the sales. Knowledge of rate making will help you produce the goods. Write The National Underwriter for booklet describing the Training Course in Dean Schedule.

FULL COVERAGE AUTOMOBILE - - - LIABILITY - - - WORKMEN'S COMPENSATION
PLATE GLASS

STANDARD FORM
EXCESS FORM
(50/50)

JOSEPH A. BURKART
PRESIDENT



WASHINGTON, D.C.

AGENTS WANTED IN DISTRICT OF COLUMBIA, VIRGINIA, NORTH CAROLINA, SOUTH CAROLINA, GEORGIA

SPENCER B. CURRY
VICE PRESIDENT
AND GENERAL MANAGER

FIRE
TORNADO

New Avenue for Premiums Opens

(CONTINUED FROM PAGE 31)

agers pointed out that the Chicago municipal court should fix minimum bond at \$100 as the regular minimum premium now is \$10 and it is said bonds cannot profitably be written for less because of certain fixed expenses.

Mr. De Witt pledged cooperation in working out the plan satisfactory to the courts and companies. He said many people have been imposed on in the past by professional bondsmen and the plan would eliminate all fixing and bad atmosphere around police stations and courts.

Under the new bail bond law, bondsmen, including surety companies, must obtain licenses, which can be canceled for unethical practices. Mr. De Witt pledged immediate action against any company which should attempt rate-cutting or unethical practices, if his proposal is accepted by surety companies.

Explains New Bond Law

He explained operation of the new law. Whereas formerly there were 25 or 30 active professional bondsmen operating in Cook county and 200 to 300 casuals, only five or six have qualified under the present law which became effective July 1. A number of surety companies have qualified and others are taking steps to do so. The license issued by the director of trade and commerce gives authority to write bail bonds anywhere in the state.

Mr. De Witt said a certificate of good reputation must be obtained from a judge of a circuit court elsewhere than in Cook county, and in Cook county a certificate from a criminal court judge is required, with five days' notice to the state's attorney. This certificate, with the \$25 license fee and \$5,000 in acceptable securities (city, county, state or federal bonds) must be filed with the director of trade and commerce. Renewal license fee is \$10 and interest is allowed on the \$5,000 deposits.

There is a provision, not contained in the old law, for a refund to bondsmen in case a defendant is brought into court within 15 months after forfeiture of the bond, or is certified as dead, convicted, etc. Bond forfeitures paid into court are deposited in a separate fund and held the 15 months, the only deduction on refunds being legitimate expenses incurred by the state.

Considers Criminals' Bonds

Mr. De Witt said for about 16 years before the state's attorney began checking closely on bail bonds, forfeitures averaged about one a day. The practice for many years was not to permit surety companies to go on even criminal court bonds, but in April, 1930, some companies began writing this business, and up to Jan. 1, this year, about \$1,000,000 in corporate bail bonds had been written

in Cook county. He said the net loss amounted to only about \$10,000 to \$12,000. There were about 17,000 criminal cases in Cook county last year. A renewed effort to form a pool in Chicago to write this criminal business was reported in New York.

If surety companies were able to write even one-third of the misdemeanor and quasi-criminal bail bonds required in Chicago, Mr. De Witt said, the gross premiums would be \$1,000,000 on the basis of \$10 premium per bond. He said, however, that if the plan could be worked out properly, undoubtedly the surety companies would be able to write most of these bonds, with a \$3,000,000 target to shoot at.

Lesson in Excess Fidelity Losses

(CONTINUED FROM PAGE 31)

ment on the part of some executive or group of executives charged with the responsibility of properly safeguarding assets and resources owned by the organizations with which they are identified. The chart abundantly, and we think, clearly demonstrates costly and bad guesses are frequently and unavoidably made. How could this be otherwise unless one is gifted with power to see into the future?

"Do you realize that no formula or device has ever been invented to determine in advance how much an employee may or can steal?"

Peril Is Invisible

"Are you fair to your clients when you permit them to be exposed to such an invisible and perhaps costly peril? Do you realize that these exposures can today, by investing a comparatively small premium, be fully eliminated by the purchase of the most modern form of dishonesty insurance yet offered to the commercial field? Do you fully appreciate the fact that the primary commercial blanket bond, standard form A, relieves the busy executive of the necessity of attempting to guess how much an employee may steal and eliminates all cumbersome detail?"

"If you find your clients skeptical about this form of coverage, suggest to them that they discuss it with the organization which is now carrying such a contract or with their bankers. The banking fraternity has for approximately 16 years been protecting itself by blanket insurance."

Countrywide Popularity

"The popularity of this type of contract is rapidly becoming countrywide. There is no business depression in so far as the primary commercial blanket bond is concerned, which speaks volumes for its appeal to American employers and their business acumen. Last year alone our net premium writings in this important branch of our business increased 77 percent over the preceding year. We have this year also made very substantial and satisfactory progress."

Fifth Annual Statement

AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Mutual Insurance Building, Chicago, U. S. A.

Statement at Close of Business, December 31, 1930, as Reported to
Division of Insurance, Department of Trade and Commerce,
State of Illinois

ASSETS

U. S. Government bonds.....	\$ 263,450.50
State, province, county and municipal bonds.....	1,308,890.00
Other bonds and stocks.....	303,500.00
First mortgage loans on real estate.....	368,500.00
Cash in banks and on interest.....	754,048.89
Premiums in transmission.....	246,563.22
Due on account of reinsurance.....	140,202.01
Accrued interest.....	28,859.15

Total cash assets.....\$3,414,013.77

LIABILITIES

Reserve for losses.....	\$1,300,889.00
Reserve for unearned premiums.....	699,903.93
Reserve for taxes and expenses.....	203,033.65
Reserve for contingencies.....	200,000.00

Total liabilities except capital.....\$2,403,826.58

Capital stock.....\$500,000.00

Net cash surplus.....510,187.19

Surplus as regards policyholders.....1,010,187.19

Total.....\$3,414,013.77

1930 GAINS

Increase in premium income.....	\$ 565,103.86
Increase in cash assets.....	685,332.54
Increase in voluntary reserves.....	100,000.00
Increase in net surplus.....	127,262.09

UNDERWRITERS CASUALTY COMPANY

Desirable Territory Available

WISCONSIN
MISSOURI
ILLINOIS
CALIFORNIA
INDIANA
IOWA

Home Office
WISCONSIN at ELEVENTH
MILWAUKEE

A FULL coverage automobile company equipped to render real service to agents. Writing at independent rates.

NATIONAL ADJUSTERS, INC.
Adjusters and Investigators
for Insurance Companies

PHONES:
PLAZA 2126, 2127

CABLE ADDRESS
"WEITEN"

21ST FLOOR BALTIMORE TRUST BUILDING
BALTIMORE, MD.

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.

FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

FREEPORT MOTOR Casualty Company

FREEPORT, ILLINOIS

Place Your Automobile Business
In a Reliable, Independent
Stock Company

Writing All Automobile Covers
In One Policy

TERRITORY OPEN IN ILLINOIS AND IOWA

AMERICAN CASUALTY COMPANY



READING, PENNSYLVANIA



Big enough for your needs—but not overgrown

Incorporated 1902

Inquire about our excellent agency proposition

Assets nearly Four Million Dollars

Income Insurance Specialists

OPPORTUNITIES FOR SALESMEN
IN FORTY-EIGHT STATES

North American Accident Insurance Co.
209 South La Salle Street, CHICAGO

Especially that unusual cover that means most to you.
Or can Re-insure large percentage of all your liability.

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard

DEE A. STOKER
Re-Insurance Underwriter
2111 Daily News Building, CHICAGO

We have every reason in the world to believe that this form of coverage, designed to do for the commercial field exactly what bankers' blanket bonds have done so successfully for the banking fraternity of this country, is destined to become the outstanding and largest single class of business written by bonding companies collectively.

"Quite a few employers have heretofore carried schedule or position forms of dishonesty insurance. These types of coverage in their day served a very useful purpose. They are now, however, antiquated because they are not flexible enough to meet the exigencies of modern business. These old forms do not adequately meet the needs of the present buyer of dishonesty insurance. The necessity of recognizing the rapidly changing conditions and demands of our present-day business life is inescapable and, in addition, if we are going to be progressive in the bonding field, we must so far as practicable anticipate future needs and requirements.

Heavy Losses in 1930

"During the past calendar year, alone, many organizations have been confronted with serious financial embarrassment because they were suddenly faced with the discovery that a trusted employe, or group of trusted employes, had stolen a large amount of property or money belonging to the employer or for which the employer was responsible.

"No doubt, a little more active salesmanship on the part of bond producing agents and brokers will result in excess losses showing a lower loss ratio to insured dishonesty losses and also a diminution in regard to uninsured losses. That, I am sure, is something we all wish to bring about. Do you not consider it important to bring these facts to the notice of your friends? What will be your position in the event a serious excess dishonesty loss or an uninsured dishonesty loss is sustained, which would have been covered by the contract which we are advocating?"

Some Observations on Present Day Tendencies

(CONTINUED FROM PAGE 5)

bility and character that were his when he stood on firmer ground. There are thousands of men who are more or less derelicts, who are drifting, who are descending the ladder largely because they left offices of high grade character and took a chance with those of courser grain and who could not pass the test.

Local agents when confronted with the business depression realize the necessity of making every effort to fill up the gap due to the loss of premiums. People are cutting down on their insurance, are not carrying any or are not able to pay their bills. In time of prosperity local agents overlook many of the by-products of insurance. They work with rapidity. Business comes easily and they fail to take advantage of the opportunity to give a man some of the secondary coverages that naturally accompany primary coverage. Some of the secondary coverages are essential to the well rounded insurance program of a policyholder. They should have been recommended in days of prosperity. The agent, however, felt that he could make bigger commission by going after the

primary lines. Many agents today are able to keep up their premium income by studying the individual needs of their policyholders and suggesting secondary coverages, supplementary forms of insurance or those lines that piece out. Frequently these additional lines can be written by an endorsement on the primary policy. They are so-called side lines where the premiums may not be so large but added to the primary coverage premium the aggregate may do much to lift the deficit. In seeking for new business one of the best sources is to study one's own customers and where they are able to pay, ascertain if their insurance program is really complete.

* * *

In every office there are a few men who stand out with a certain amount of preeminence. The rest are merely perfunctory workers. They are filling their positions simply because they have to work to live. There is no thrill, no joy, no adventure in what they are doing. They do as little as they can to get by. They work by the clock. They take advantage of every opportunity to get away from their task that they can. They do much "soldiering." They are not interested in the literature of their business. They do not care to take study courses or better fit themselves for their work. Those that are ambitious and are endeavoring to better equip themselves have no difficulty in making progress. It is because so many are content to walk along the dull level that it is easy for others to succeed. In every office there are great opportunities. But few of them are grasped. A small number of men are really interested in forging ahead. The rest seem more interested in everything else than in the business that is making their living.

* * *

A man who has a position these days should be truly grateful. There are thousands of people out of employment. There are people who are eager to work and yet cannot find a place. Many offices are carrying along employes because of a feeling of moral responsibility. When one resigns, the position is not filled. The job is combined with others. In the field the same process is going on. The territory is readjusted so that fewer men cover it. There are 25 men standing about, eager to grab any place made vacant. This is a day when everyone should do his utmost to justify the continuance of his position. There are but few offices that are letting really good men go. The weak sisters are being eliminated. Those that have traveled at a dog trot, hardly able to keep up with the procession are feeling the depression very keenly. Every person that has a position should study it and learn how to fill it more effectively. Then there will be but little chance or danger of dismissal. There should be a will to work and to work honestly and intelligently.

C. M. C.

In COLUMBUS it's THE NEIL HOUSE

"Across from the Capitol"

TOM A. SABREY, Manager



655 COMFORTABLE ROOMS
ALL WITH BATH
GARAGE FACILITIES - RATES STARTING AT \$2.50

Payroll Auditor Wanted

Wanted Payroll Auditor familiar with Wisconsin business. State age, experience, salary expected. Address T-93, The National Underwriter.

Wanted—Casualty Underwriter

Chicago agency desires services of young man who knows all lines of casualty and surety business. State age, experience, references and salary expected. Address T-89, The National Underwriter.

NEW! UNUSUAL! Far Ahead of the Crowd!

That's What Franchise Holders are Saying about this

NEW COLOR ROTOGRAVURE PICTORIAL

"We think the New Pictorial with its color effect is a knockout."—C. M. Hunt & Co., Nashville, Tenn.

"As an attention getter we believe it superior to the old, which wasn't so bad itself."—Wetherald, Pfau & Bolin, Wenatchee, Wash.

"New Insurance Pictorial is very fine. (Not said to flatter you either). This should make The Pictorial much more distinctive."—Horace E. Stedman Co., Sturgeon Bay, Wis.

"I believe the Color Pictorial is wonderful. Nothing which I know of at present begins to have as much action and helps put over sales."—The Woodward Agency, Inc., Niagara Falls, N. Y.

"We agree with you that the New Pictorial is a better Pictorial."—Sturtevant-Overin Co., New York City.

"The New Insurance Pictorial surely draws the eye; it should and will draw in more business."—Haney Lloyd Chattin, Ocean City, N. J.

"We are sold on it and think it is a BIG improvement over the old one."—Schroyer & Cline, Chicago, Illinois.

"We believe the new form with the color is much more attractive."—C. J. Adams Co., Atlantic City, N. J.

EIGHT years ago, the Insurance Pictorial was first produced. It offered the fire and casualty agent a planned systematic program of continuous advertising. The plan has thoroughly demonstrated its value in hundreds of agencies in every section of the country. No other plan of advertising that we know of has been so continuously popular and effective.

So successful was the Pictorial that we hesitated to make any change whatever. But we wanted to keep ahead of the crowd. Other advertisers—large ones to be sure—were using Rotogravure. The field is constantly increasing. Next year there will be more. We believe the time will soon come when one color rotogravure will be no novelty.

Color rotogravure, just recently perfected, offered us the opportunity to again lift The Pictorial out of the crowd. It gave us the opportunity of producing for the insurance agent, advertising that would be far ahead of that used in other lines—in interest, in beauty, and in effectiveness.

And the response from subscribers indicates that our guess was right.

With the New Color Pictorial, the plan re-

mains the same. Hundreds of agents have demonstrated that it pays to keep in touch with clients and prospects by means of an interesting pictorial bulletin. And the bulletin—The Pictorial—has been made more interesting. It has been given a new appeal through color. And it offers greater individuality for each franchise holder.

Even the larger advertisers, who have begun to use Rotogravure in the past few years, have not attempted color rotogravure. It is too expensive—too difficult to work with. But now, the insurance agent can secure advertising which is far ahead of any rotogravure printing which even the largest advertisers of the country are using. And the cost of The Pictorial has not been increased.

Individual Advertising

It is not necessary that you call this the Insurance Pictorial. You can give this monthly publication any name you choose. The Sturtevant-Overin Company, of New York, whose slogan is "Up-to-the-Minute Insurance Service," calls their Pictorial "The Minute Man." Fred L. Gray, of Minneapolis, calls his "Gray Matter." C. M. Hunt Company, of Nashville, Tenn., name their Pictorial bulletin "Insurance Service."

Your name, address, etc., is also printed on the first page. This is the only name that appears on the publication; ours appears nowhere. In addition, you can still further stress your service, and make the Pictorial a more individual service, by special copy on the back page.

Exclusive!

Except in the largest cities, The Pictorial is sold on the exclusive basis. Only one agency in a city can distribute it. Of course, there are many cities that are closed, but your city may be one in which the franchise is available.

Find out about the franchise for your city. Ask for sample copies, prices, and other information. Use this coupon.

**The National Underwriter Co.,
A1946 Insurance Exchange,
Chicago, Illinois**

Please send me sample copies and complete information regarding the exclusive franchise in my city for your new color rotogravure Pictorial.

NAME

ADDRESS

CITY..... STATE.....



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Why do brokers, life insurance agents and agents sell the Accident contracts of The Employers' Group? We asked several of these gentlemen. Practically all of them gave the same three reasons. Contract, organization, service . . . these three, but the greatest of these is service.

No insurance man can afford to place accident insurance in a company that talks technicalities after the accident.

The Employers' Group doesn't quibble over personal accident claims. And the insurance man appreciates this fact.

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esting information. A request for your copy incurs no obligation.

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